

Black River Public  
School



Year Ended  
June 30, 2022

Financial  
Statements

**Rehmann**

# BLACK RIVER PUBLIC SCHOOL

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## INDEPENDENT AUDITORS' REPORT

October 5, 2022

Board of Trustees  
Black River Public School  
Holland, Michigan

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of **Black River Public School** (the "School"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the School, as of June 30, 2022, and the respective changes in financial position thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Independent Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated October 5, 2022, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rehman Lohani LLC". The signature is written in a cursive, flowing style.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# BLACK RIVER PUBLIC SCHOOL

## Management's Discussion and Analysis

As management of Black River Public School (the "School"), we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the School's financial statements, which follow this section.

### Financial Highlights

- Net position increased by \$150,760 or 1.6%, during the year ended June 30, 2022.
- Overall revenues were \$10,434,725 compared to \$10,283,965 of expenses.
- The School's general fund revenues and other financing sources were \$272,806 more than expenditures and other financing uses.
- General fund instruction and supporting services costs, a measure of the cost of day-to-day school operations, increased by 6.5% to \$9,172,633.

### Using This Financial Report

This annual financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Black River Public School as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

### *Reporting the School as a Whole*

The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the School's overall financial status. These are the statement of net position and the statement of activities, which report the School's net position and changes in net position. These statements use a full accrual basis of accounting, which is similar to the accounting used by private sector corporations. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

### *Reporting the School's Most Significant Funds*

The remaining statements are *fund financial statements*, which focus on individual parts of the School, reporting the School's operations in more detail than the *government-wide statements*.

- The *governmental fund statements* tell how basic services, such as regular and special education, were financed in the short-term, as well as what remains for future spending.

The fund financial statements are reported on a modified accrual basis of accounting, which measures cash and other financial assets that can readily be converted to cash. Using this basis of accounting, the fund financial statements recognize revenues when both measurable and available as more fully described in the notes to the financial statements. The relationship (or differences) between governmental activities (as reported in the statement of net position and statement of activities) and governmental funds is reconciled in the financial statements.

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *supplementary information*, which provides information on nonmajor governmental funds.



# BLACK RIVER PUBLIC SCHOOL

## Management's Discussion and Analysis

### Reporting the School as a Whole: Government-wide Financial Statements

The *government-wide statements* report information about the *governmental activities* of the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets, deferred outflows of resources and liabilities, both short- and long-term, regardless of whether they are "currently available."

The statement of net position provides the perspective of the School as a whole. Black River Public School experienced an increase in net position of \$150,760 (1.6%). The following table shows the condensed statement of net position compared to prior year.

	Net Position	
	2022	2021
<b>Assets</b>		
Current and other assets	\$ 3,317,753	\$ 2,884,495
Capital assets, net	11,474,409	11,847,603
<b>Total assets</b>	<u>14,792,162</u>	<u>14,732,098</u>
<b>Deferred outflows of resources</b>	<u>-</u>	<u>38,863</u>
<b>Liabilities</b>		
Long-term debt	4,042,551	4,214,094
Other liabilities	922,477	880,493
<b>Total liabilities</b>	<u>4,965,028</u>	<u>5,094,587</u>
<b>Net position</b>		
Net investment in capital assets	7,431,858	7,672,372
Restricted	168,036	65,896
Unrestricted	2,227,240	1,938,106
<b>Total net position</b>	<u>\$ 9,827,134</u>	<u>\$ 9,676,374</u>

# BLACK RIVER PUBLIC SCHOOL

## Management's Discussion and Analysis

The table below presents the revenues and expenses for the current fiscal year compared to prior year for the School as a whole.

	Change in Net Position	
	2022	2021
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 82,763	\$ 23,490
Operating grants and contributions	2,569,164	2,450,035
Capital grants and contributions	429	492
General revenues:		
Unrestricted school aid	7,755,497	7,486,260
Other	26,872	284,349
<b>Total revenues</b>	<b>10,434,725</b>	<b>10,244,626</b>
<b>Expenses</b>		
Instruction	5,949,115	5,468,992
Supporting services	3,176,193	3,148,375
Athletics	148,410	135,931
Food services	310,597	176,131
Community services	18,686	6,435
Interest on long-term debt	155,914	166,097
Depreciation - unallocated	525,050	531,191
<b>Total expenses</b>	<b>10,283,965</b>	<b>9,633,152</b>
<b>Change in net position</b>	<b>150,760</b>	<b>611,474</b>
Net position, beginning of year	9,676,374	9,064,900
<b>Net position, end of year</b>	<b>\$ 9,827,134</b>	<b>\$ 9,676,374</b>

As reported in the statement of activities, the cost of all governmental activities was \$10,283,965, an increase of \$650,813, or 6.8%, from the prior year. This increase was largely attributable to the implementation of a new salary schedule for the second semester which provided more opportunities for new hires as well better inducements for staff retainage. In addition, there were refinancing costs associated with the payoff of our existing debt and acquiring new debt that will payoff all current debt in ten years.

As shown in the schedule above, total revenues were \$10,434,725, an increase of \$190,099 from the prior year. This increase was largely attributable to a higher foundation allowance than budgeted for as the State had not completed their budget.

### Reporting the School's Most Significant Funds: Fund Financial Statements

The fund financial statements provide more detailed information about the School's funds, focusing on its most significant or "major" funds – not the school organization as a whole. Funds are accounting devices the School uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law, while other funds may be established by the School to help manage money for particular purposes.

# BLACK RIVER PUBLIC SCHOOL

## Management's Discussion and Analysis

The School has one kind of fund:

- *Governmental Funds.* The School's basic instructional and support services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to illustrate whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information follows each governmental funds statement to explain the relationship (or reconcile the differences) between the government-wide statements and governmental funds statements.

The School's governmental funds include the general fund, capital projects fund, and food service and student/school activity special revenue funds.

The general fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,123,730, while the total fund balance was \$2,171,454. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent 15.3% and 15.7%, respectively, of total general fund expenditures.

The fund balance of the School's general fund increased by \$272,806 from the prior year. This is attributable to not spending all of the amounts budgeted. The staff is very good at keeping an eye on their budget responsibilities.

### General Fund Budgetary Highlights

As required by State law, the Board of Trustees adopted a budget prior to the start of the fiscal year. During the fiscal year ended June 30, 2022, the School revised the general fund budget twice.

- *Revenues.* The final amended budget for general fund increased by approximately \$300,218, which was mainly the result of increased miscellaneous donations, higher state aid than originally projected, and higher federal grants than expected.
- *Expenditures.* The final amended budget for general fund expenditures was increased from the original budget by approximately \$4,468,218 (44.8%). This was caused by the additional debt acquired in December 2021.

Actual expenditures were well under budget in most functional areas. This was not a direct result of any specific circumstances, but rather a School practice of using a conservative approach to expenditure budgeting using prior years' history combined with current year expenditure activities.

# BLACK RIVER PUBLIC SCHOOL

## Management's Discussion and Analysis

### Capital Asset and Debt Administration

*Capital Assets.* As of June 30, 2022, the School had invested \$11,474,409 in capital assets, net of depreciation. The decrease of \$373,194 or 3.1% relates to depreciation expense exceeding current year capital asset additions. The following schedule presents capital asset balances, net of depreciation, as of the current and prior year ends.

	Capital Assets (Net of Depreciation)	
	2022	2021
Land	\$ 501,938	\$ 501,938
Buildings and improvements	10,824,344	11,168,107
Machinery and equipment	126,593	148,749
Vehicles	21,534	28,809
<b>Total capital assets, net</b>	<b>\$ 11,474,409</b>	<b>\$ 11,847,603</b>

Additional information about the School's capital assets can be found in Note 6.

*Long-term Debt.* At June 30, 2022, the School had \$4,042,551 in outstanding debt. During the current fiscal year, the School repaid the previous outstanding note with the issuance of a \$4,225,000 note payable. The following table summarizes long-term debt as of the current and prior year-end dates.

	Outstanding Debt	
	2022	2021
Notes payable	\$ 4,042,551	\$ 4,199,823
Construction loan	-	14,271
<b>Total long-term debt</b>	<b>\$ 4,042,551</b>	<b>\$ 4,214,094</b>

Additional information about the School's long-term debt can be found in Note 8.

### Economic Factors and Next Year's Budgets and Rates

Many factors were considered by the School's administration during the process of developing the fiscal year 2022-23 budget. The principal factor was the School's anticipated student enrollment, which drives staffing requirements and other variable costs. Staffing costs typically represent more than 70 percent of general fund expenditures.

The budget for the year ended June 30, 2022 was adopted in June 2021 when there was a high degree of uncertainty related to the funding and operations for all districts in the State of Michigan due to the novel coronavirus outbreak (COVID-19). For the 2022-23 fiscal year, the foundation allowance has been increased and we are expecting more COVID funding. As of now, those numbers are still in flux. We are now awaiting the fall enrollment to see what the actual enrollments and revenues will be.

## BLACK RIVER PUBLIC SCHOOL

### Management's Discussion and Analysis

#### *Budgeted Student Count*

The principal factor that generates operating revenues and expenses is the count of students enrolled and in attendance at the School on the fall count day in October and spring count day in February. The School's open enrollment closes on the last Wednesday in February at which time management plans for the size of each grade during the spring budgeting and strategic planning process.

#### *Budgeted State School Aid, Foundation Grant*

The state foundation grant revenue is determined by multiplying the blended student count by the per-pupil foundation allowance. Generally, the membership count is computed by adding 90 percent of the fall count to 10 percent of the spring count.

#### **Contacting the School's Financial Management**

The School's financial statements are designed to present a general overview of the School's finances for all those with an interest in the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about the report or need additional financial information, contact the School's business office at Black River Public School, 491 Columbia Avenue, Holland, MI 49423-4838.

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## **BASIC FINANCIAL STATEMENTS**

# BLACK RIVER PUBLIC SCHOOL

## Statement of Net Position

June 30, 2022

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,361,424
Investments	106,036
Receivables, net	1,850,293
Capital assets:	
Not being depreciated	501,938
Being depreciated, net	<u>10,972,471</u>
<b>Total assets</b>	<u>14,792,162</u>
<b>Liabilities</b>	
Accounts payable and accrued expenses	873,968
Unearned revenue	48,509
Long-term debt:	
Due within one year	372,928
Due in more than one year	<u>3,669,623</u>
<b>Total liabilities</b>	<u>4,965,028</u>
<b>Net position</b>	
Net investment in capital assets	7,431,858
Restricted for food service	168,036
Unrestricted	<u>2,227,240</u>
<b>Total net position</b>	<u>\$ 9,827,134</u>

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



# BLACK RIVER PUBLIC SCHOOL

## Statement of Activities

For the Year Ended June 30, 2022

Functions / Programs	Expenses	Program Revenues			Net (Expenses) Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities</b>					
Instruction	\$ 5,949,115	\$ 64,273	\$ 1,898,486	\$ -	\$ (3,986,356)
Supporting services	3,176,193	-	264,092	429	(2,911,672)
Athletics	148,410	-	-	-	(148,410)
Food services	310,597	3,773	406,586	-	99,762
Community services	18,686	14,717	-	-	(3,969)
Interest on long-term debt	155,914	-	-	-	(155,914)
Depreciation (unallocated)	525,050	-	-	-	(525,050)
<b>Total governmental activities</b>	<u>\$ 10,283,965</u>	<u>\$ 82,763</u>	<u>\$ 2,569,164</u>	<u>\$ 429</u>	<u>(7,631,609)</u>
<b>General revenues</b>					
School aid, unrestricted					7,755,497
Contributions from private sources, unrestricted					22,566
Miscellaneous general revenues					3,151
Unrestricted investment earnings					<u>1,155</u>
<b>Total general revenues</b>					<u>7,782,369</u>
<b>Change in net position</b>					150,760
Net position, beginning of year					<u>9,676,374</u>
<b>Net position, end of year</b>					<u>\$ 9,827,134</u>

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

# BLACK RIVER PUBLIC SCHOOL

## Balance Sheet

Governmental Funds

June 30, 2022

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 1,057,138	\$ 304,286	\$ 1,361,424
Investments	106,036	-	106,036
Due from other funds	29,469	10,506	39,975
Due from other governments	1,832,918	17,375	1,850,293
<b>Total assets</b>	<b>\$ 3,025,561</b>	<b>\$ 332,167</b>	<b>\$ 3,357,728</b>
<b>Liabilities</b>			
Accounts payable	\$ 66,792	\$ 9,032	\$ 75,824
Due to other funds	11,019	28,956	39,975
Due to other governments	42,190	-	42,190
Accrued contracted staffing costs	693,549	-	693,549
Unearned revenue	40,557	7,952	48,509
<b>Total liabilities</b>	<b>854,107</b>	<b>45,940</b>	<b>900,047</b>
<b>Fund balances</b>			
Restricted	-	168,036	168,036
Committed	-	104,194	104,194
Assigned	47,724	13,997	61,721
Unassigned	2,123,730	-	2,123,730
<b>Total fund balances</b>	<b>2,171,454</b>	<b>286,227</b>	<b>2,457,681</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,025,561</b>	<b>\$ 332,167</b>	<b>\$ 3,357,728</b>

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

# BLACK RIVER PUBLIC SCHOOL

## Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
June 30, 2022

**Fund balances - total governmental funds** \$ 2,457,681

Amounts reported for *governmental activities* in the statement of net position are 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	501,938
Capital assets being depreciated, net	10,972,471

Certain liabilities, such as notes payable, are not due and payable in the current period and therefore are not reported in the funds.

Long-term debt	(4,042,551)
Accrued contracted staff compensated absences	(60,055)
Accrued interest	<u>(2,350)</u>

**Net position of governmental activities** \$ 9,827,134

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

# BLACK RIVER PUBLIC SCHOOL

## Statement of Revenues, Expenditures and Change in Fund Balances

Governmental Funds

For the Year Ended June 30, 2022

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Local sources	\$ 984,585	\$ 125,668	\$ 1,110,253
Intermediate sources	18,200	-	18,200
State sources	8,320,837	7,199	8,328,036
Federal sources	578,849	399,387	978,236
<b>Total revenues</b>	<u>9,902,471</u>	<u>532,254</u>	<u>10,434,725</u>
<b>Expenditures</b>			
Instruction	5,949,115	-	5,949,115
Supporting services	3,223,518	104,482	3,328,000
Athletics	148,410	-	148,410
Food services	-	310,597	310,597
Community services	18,686	-	18,686
Debt service:			
Principal	4,396,543	-	4,396,543
Interest and fiscal charges	116,063	-	116,063
Capital outlay	-	49	49
<b>Total expenditures</b>	<u>13,852,335</u>	<u>415,128</u>	<u>14,267,463</u>
Revenues over (under) expenditures	<u>(3,949,864)</u>	<u>117,126</u>	<u>(3,832,738)</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	2,330	2,330
Transfers out	(2,330)	-	(2,330)
Issuance of long-term debt	4,225,000	-	4,225,000
<b>Total other financing sources (uses)</b>	<u>4,222,670</u>	<u>2,330</u>	<u>4,225,000</u>
<b>Net change in fund balances</b>	272,806	119,456	392,262
Fund balances, beginning of year	<u>1,898,648</u>	<u>166,771</u>	<u>2,065,419</u>
<b>Fund balances, end of year</b>	<u>\$ 2,171,454</u>	<u>\$ 286,227</u>	<u>\$ 2,457,681</u>

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

# BLACK RIVER PUBLIC SCHOOL

## Reconciliation

Net Change in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended June 30, 2022

**Net change in fund balances - total governmental funds** \$ 392,262

Amounts reported for *governmental activities* in the statement of activities are 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.

Capital assets purchased/constructed	151,856
Depreciation expense	(525,050)

Debt proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but a reduction in long-term liabilities on the statement of net position.

Issuance of long-term debt	(4,225,000)
Principal payments on long-term debt	4,396,543

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

Amortization of deferred charge on refunding	(38,863)
Change in accrued interest and contracted staff compensated absences	(988)

**Change in net position of governmental activities** \$ 150,760

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

## BLACK RIVER PUBLIC SCHOOL

### Statement of Revenues, Expenditures and Change in Fund Balances

Budget and Actual - General Fund

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues</b>				
Local sources	\$ 1,017,414	\$ 1,018,930	\$ 984,585	\$ (34,345)
Intermediate sources	18,520	18,200	18,200	-
State sources	8,119,735	8,345,449	8,320,837	(24,612)
Federal sources	664,598	737,906	578,849	(159,057)
<b>Total revenues</b>	<u>9,820,267</u>	<u>10,120,485</u>	<u>9,902,471</u>	<u>(218,014)</u>
<b>Expenditures</b>				
Instruction	5,880,874	6,131,457	5,949,115	(182,342)
Supporting services	3,337,554	3,604,052	3,223,518	(380,534)
Athletics	165,286	169,294	148,410	(20,884)
Community services	15,402	21,250	18,686	(2,564)
Debt service:				
Principal	460,000	4,399,100	4,396,543	(2,557)
Interest and fiscal charges	112,251	114,432	116,063	1,631
Capital outlay	400	400	-	(400)
<b>Total expenditures</b>	<u>9,971,767</u>	<u>14,439,985</u>	<u>13,852,335</u>	<u>(587,650)</u>
Revenues over (under) expenditures	<u>(151,500)</u>	<u>(4,319,500)</u>	<u>(3,949,864)</u>	<u>369,636</u>
<b>Other financing sources (uses)</b>				
Insurance recoveries	1,500	1,500	-	(1,500)
Transfers out	(5,000)	(5,000)	(2,330)	(2,670)
Issuance of long-term debt	-	4,225,000	4,225,000	-
<b>Total other financing sources (uses)</b>	<u>(3,500)</u>	<u>4,221,500</u>	<u>4,222,670</u>	<u>(1,170)</u>
<b>Net change in fund balances</b>	<u>(155,000)</u>	<u>(98,000)</u>	<u>272,806</u>	<u>370,806</u>
Fund balances, beginning of year	<u>1,898,648</u>	<u>1,898,648</u>	<u>1,898,648</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,743,648</u>	<u>\$ 1,800,648</u>	<u>\$ 2,171,454</u>	<u>\$ 370,806</u>

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

## **NOTES TO FINANCIAL STATEMENTS**

# BLACK RIVER PUBLIC SCHOOL

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of **Black River Public School** (the “School”) consistently applied in the preparation of the accompanying financial statements follows.

Black River Public School, Holland, Michigan, is a not-for-profit Michigan public school academy, which provides education to children in grades K-12 from the surrounding community. Black River Public School operates under a charter approved by the Board of Trustees of Grand Valley State University, which is responsible for oversight of the School’s operations.

The School is governed by a nine-member Board of Trustees. Effective January 1, 2017, the School approved a contract with a third-party management company under the name of Black Pearl Educational Services, LLC for human resource services.

#### **The Reporting Entity**

As required by generally accepted accounting principles, these financial statements present the reporting entity of Black River Public School. The criteria identified in GAAP, including financial accountability, have been utilized when identifying the School reporting entity which includes no component units.

#### **Government-wide and Fund Financial Statements**

The *government-wide financial statements* (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The School had no business-type activities during the year ended June 30, 2022.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted school aid and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.



# BLACK RIVER PUBLIC SCHOOL

## Notes to Financial Statements

### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements (reporting the School as a whole) are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. State school aid is recognized as revenue in the fiscal year of the school year for which it is apportioned. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements (reporting the School's major funds) are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or one year for reimbursement-based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

State school aid, expenditure-driven grant revenue, pledge revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School.

### ***Governmental Funds***

Governmental funds are those funds through which most school district functions are typically financed. The acquisition, use and balances of the School's expendable financial resources and the related current liabilities are accounted for through governmental funds. The School reports the following major governmental fund:

The *general fund* is the School's primary operating fund and is used to record the general operations of the School pertaining to education. It accounts for all financial resources not accounted for and reported in another fund.

Additionally, the School reports the following fund types:

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The School maintains two special revenue funds to account for 1) food service operations and 2) student/school activities.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

# BLACK RIVER PUBLIC SCHOOL

## Notes to Financial Statements

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all unrestricted state aid, unrestricted grants and interest income.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed.

The effect of interfund activity has been eliminated from the government-wide financial statements.

### ***Budgets and Budgetary Accounting***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for general and special revenue funds as required by the State of Michigan Uniform Budgeting and Accounting Act, as amended by Public Act 621 of 1978 ("Public Act 621"). The School follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30, the Business Manager submits to the Board a proposed operating budget for the fiscal year commencing the following July 1.
2. A public hearing is conducted to obtain public comments.
3. The budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds.
5. Adoption and amendments of all budgets used by the School are governed by Public Act 621, which was followed for the year ended June 30, 2022. Expenditures may not exceed appropriations at the function code level. The appropriations resolutions are based on the projected expenditures budget developed by the Business Manager. Any revisions that alter the total expenditures of any fund must be approved by the School Board of Trustees.

### ***Assets, Liabilities and Equity***

#### ***Deposits and Investments***

The School considers cash on hand, demand deposits and short-term investments with an original maturity of three months or less when purchased to be cash and cash equivalents.

# BLACK RIVER PUBLIC SCHOOL

## Notes to Financial Statements

### *Receivables*

The School follows the practice of recording as receivables revenues that have been earned but not yet received. Receivables consists primarily of amounts due from other governments, namely the State of Michigan for school aid.

### *Capital Assets*

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	7-50
Furniture, machinery, and equipment	10-20
Vehicles	5-8

### *Accrued Contracted Staffing Costs*

A liability is recorded at June 30 for amounts owed to the School's contracted staffing company, for those amounts owed by the staffing company to teachers and other staff members who do not work during the summer but are contracted to have their salaries paid over a twelve-month period. This has the effect of properly charging these contracted staffing costs to expenditures in the fiscal year in which the services are received, even though they are not paid until July and August of the following fiscal year.

The School has also recorded accrued contracted staffing costs for amounts to be reimbursed to the staffing company after June 30, 2022, for the post-year-end cost to the staffing company of funding FICA, compensated absences costs (i.e., earned but unused paid time off), as well as retirement plan funding, related to the services of School staff during the school year and fiscal year ended June 30, 2022.

# BLACK RIVER PUBLIC SCHOOL

## Notes to Financial Statements

### ***Unearned Revenue***

Unearned revenue is comprised of amounts received prior to the delivery of goods/service or expenditure on allowable costs.

### ***Long-term Obligations***

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities statement of net position. Where applicable, premiums and discounts are capitalized and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

### ***Foundation Revenue***

The State of Michigan adopted a foundation grant approach, which provides for a specific annual amount of revenue per student based on a state-wide formula. The foundation is funded from state sources. Revenues from state sources are primarily governed by Michigan's State School Aid Act (Public Act 94 of 1979, as amended) and the Revised School Code (Public Act 451 of 1976, as amended). The Michigan Department of Education administers the allocation of state funds to public schools based on information supplied by the schools.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead property taxes, which may be levied at a rate of up to 18 mills. As a public school academy, the School is not eligible to receive any portion of local non-homestead property taxes. The State revenue is recognized during the foundation period (currently the fiscal year).

### ***Fund Equity/Net Position***

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Trustees. A formal resolution of the Board of Trustees is required to establish, modify, or rescind a fund balance commitment. The School reports assigned fund balance for amounts that are constrained by the School's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Trustees is permitted to assign fund balance and this authority has not been delegated. Unassigned fund balance is the residual classification for the general fund.

# BLACK RIVER PUBLIC SCHOOL

## Notes to Financial Statements

When the School incurs an expenditure for purposes for which various fund balance classifications can be used, it is the School's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

Restricted net position represents amounts which are legally restricted by outside parties or enabling legislation.

### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## 2. STATE OF MICHIGAN SCHOOL AID

The School reports State of Michigan school aid in the fiscal year in which the School is entitled to the revenue as provided by appropriations from the State legislature pursuant to the State School Aid Act. State funding provided 84% of general fund revenue to the School during the 2022 fiscal year.

## 3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

During the year ended June 30, 2022, the School incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	Total Appropriations	Amount of Expenditures	Budget Variance
<b>General fund</b>			
Supporting services:			
General administration	\$ 299,027	\$ 303,072	\$ 4,045
Debt service:			
Interest and fiscal charges	114,432	116,063	1,631

# BLACK RIVER PUBLIC SCHOOL

## Notes to Financial Statements

### 4. CASH AND INVESTMENTS

The captions on the financial statements relating to cash and investments are as follows:

	<b>Governmental Activities</b>
Cash and cash equivalents	\$ 1,361,424
Investments	<u>106,036</u>
<b>Total</b>	<b><u>\$ 1,467,460</u></b>

Cash and investments are comprised of the following at year-end:

Checking and savings accounts	\$ 1,361,424
Certificates of deposit (due within one year)	<u>106,036</u>
<b>Total</b>	<b><u>\$ 1,467,460</u></b>

#### ***Statutory Authority***

Michigan law authorizes the School to deposit and invest in:

- a. Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State. In a primary or fourth class school district, the bonds, bills or notes shall be payable at the option of the holder upon not more than 90 days notice or, if not so payable, shall have maturity dates not more than 5 years after the purchase dates.
- b. Certificates of deposits issued by a State or national bank, savings accounts of a state or federal savings and loan association, or certificates of deposit or share certificates of a state or federal credit union organized and authorized to operate in this State.
- c. Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.
- d. Securities issued or guaranteed by agencies or instrumentalities of the United States, United States government or federal agency obligation repurchase agreements, and bankers' acceptance issued by a bank that is a member of the federal deposit insurance corporation.
- e. Mutual funds composed entirely of investment vehicles that are legal for direct investment by a school district.
- f. Investment pools, as authorized by the surplus funds investment pool act, composed entirely of instruments that are legal for direct investment by a school district.

# BLACK RIVER PUBLIC SCHOOL

## Notes to Financial Statements

The School's investment policy allows for all of these types of investments.

Deposits are in several financial institutions located in Michigan. State policy limits the School's investing options to financial institutions located in Michigan. All accounts are in the name of the School and a specific fund.

### ***Investment and Deposit Risk***

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified in the list of authorized investments above. The School's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The School's investments are limited to certificates of deposit which all mature within one year.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned. The School has not adopted and state law does not require a policy for deposit custodial credit risk. As of year-end, \$1,147,719 of the School's bank balance of \$1,610,610 was exposed to custodial credit risk because it was uninsured and uncollateralized.

## 5. RECEIVABLES, PAYABLES AND UNEARNED REVENUE

Receivables in the government-wide financial statements at year-end are as follows:

	<b>Governmental Activities</b>
Due from other governments	<u>\$ 1,850,293</u>

The School reports unearned revenue in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of unearned revenue reported in governmental activities were as follows:

	<b>Governmental Activities</b>
At Risk Sec 31A State Aid	\$ 23,905
Community recreation (summer camps)	16,652
Student lunch account balances	<u>7,952</u>
<b>Totals</b>	<u>\$ 48,509</u>

# BLACK RIVER PUBLIC SCHOOL

## Notes to Financial Statements

Accounts payable and accrued expenses in the government-wide financial statements at year-end are as follows:

	<b>Governmental Activities</b>
Due to other governments	\$ 42,190
Accrued contracted staffing costs	753,604
Interest payable on long-term debt	<u>2,350</u>
<b>Totals</b>	<u><u>\$ 873,968</u></u>

## 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land	\$ 501,938	\$ -	\$ -	\$ -	\$ 501,938
Capital assets, being depreciated:					
Buildings and improvements	18,327,580	151,856	-	-	18,479,436
Machinery and equipment	464,034	-	-	-	464,034
Vehicles	163,742	-	-	-	163,742
	<u>18,955,356</u>	<u>151,856</u>	<u>-</u>	<u>-</u>	<u>19,107,212</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,159,473)	(495,619)	-	-	(7,655,092)
Machinery and equipment	(315,285)	(22,156)	-	-	(337,441)
Vehicles	(134,933)	(7,275)	-	-	(142,208)
	<u>(7,609,691)</u>	<u>(525,050)</u>	<u>-</u>	<u>-</u>	<u>(8,134,741)</u>
Total capital assets being depreciated, net	<u>11,345,665</u>	<u>(373,194)</u>	<u>-</u>	<u>-</u>	<u>10,972,471</u>
<b>Governmental activities capital assets, net</b>	<u><u>\$ 11,847,603</u></u>	<u><u>\$ (373,194)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,474,409</u></u>

Depreciation expense of \$525,050 is reported as unallocated in the statement of activities.



# BLACK RIVER PUBLIC SCHOOL

## Notes to Financial Statements

### 7. TRANSFERS AND INTERFUND BALANCES

The composition of interfund balances as of June 30, 2022, was as follows:

	Due from Fund	Due to Fund
General fund	\$ 29,469	\$ 11,019
Nonmajor governmental funds	10,506	28,956
<b>Total</b>	<u>\$ 39,975</u>	<u>\$ 39,975</u>

Interfund balances result from timing between the payment of goods and services by one fund and cash reimbursement from the fund incurring the cost.

For the year ended June 30, 2022, the General Fund transferred \$2,330 to the Food Service Fund for food service operations.

### 8. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the School for the year ended June 30, 2022:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Direct borrowings and direct placements:					
Notes payable	\$ 4,199,823	\$ 4,225,000	\$ (4,382,272)	\$ 4,042,551	\$ 372,928
Construction loan	14,271	-	(14,271)	-	-
<b>Total</b>	<u>\$ 4,214,094</u>	<u>\$ 4,225,000</u>	<u>\$ (4,396,543)</u>	<u>\$ 4,042,551</u>	<u>\$ 372,928</u>

# BLACK RIVER PUBLIC SCHOOL

## Notes to Financial Statements

	Ending Balance	Due Within One Year
<b>Note payable</b>		
\$4,225,000 2022 note payable due in monthly installments of \$40,861, including interest at 2.99%, maturing in December 2031. The note is collateralized by a first real estate mortgage and assignment of rents on certain properties as described in the note agreement.	<u>\$ 4,042,551</u>	<u>\$ 372,928</u>

Following is a summary of future principal maturities and interest requirements:

Year Ended June 30	Principal	Interest
2023	\$ 372,928	\$ 117,410
2024	384,106	106,232
2025	396,199	94,139
2026	408,378	81,959
2027	420,932	69,406
2028-2032	<u>2,060,008</u>	<u>146,512</u>
	<u>\$ 4,042,551</u>	<u>\$ 615,658</u>

## 9. RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The School carries commercial insurance for all the above mentioned types of risks of loss including general liability, property damage, workers' compensation, and medical benefits provided to employees. Settled claims have not exceeded the commercial coverage in any of the three prior years.

## 10. CONTINGENCIES

### *Federal Grant Programs*

The School participates in federally-assisted grant programs, which are subject to program compliance audits by the grantor or its representatives. Such audits of these programs may be performed at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School does not expect such amounts, if any, to be material.

# BLACK RIVER PUBLIC SCHOOL

## Notes to Financial Statements

### 11. CHARTER AGENCY OVERSIGHT FEES

Pursuant to the charter contract between Grand Valley State University (the "Authorizer") and the School, the School pays the Authorizer an administrative oversight fee equal to 3% of the State School Aid foundation grant received by the School. For the year ended June 30, 2022, such fees amounted to \$231,940.

### 12. FUND BALANCES - GOVERNMENTAL FUNDS

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School classifies fund balances based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Nonmajor Governmental Funds	Total
<b>Restricted</b>			
Food service program	\$ -	\$ 168,036	\$ 168,036
<b>Committed</b>			
Student/school activities	-	104,194	104,194
<b>Assigned</b>			
Capital improvements	-	13,997	13,997
Memorial funds	47,724	-	47,724
	<u>47,724</u>	<u>13,997</u>	<u>61,721</u>
<b>Unassigned</b>	<u>2,123,730</u>	<u>-</u>	<u>2,123,730</u>
<b>Total fund balances - governmental funds</b>	<u>\$ 2,171,454</u>	<u>\$ 286,227</u>	<u>\$ 2,457,681</u>

# BLACK RIVER PUBLIC SCHOOL

## Notes to Financial Statements

### 13. NET INVESTMENT IN CAPITAL ASSETS

The composition of the net investment in capital assets as of June 30, 2022, was as follows:

	<b>Governmental Activities</b>
Capital assets:	
Capital assets not being depreciated	\$ 501,938
Capital assets being depreciated, net	<u>10,972,471</u>
	11,474,409
Related debt:	
Notes payable	<u>4,042,551</u>
<b>Net investment in capital assets</b>	<u><u>\$ 7,431,858</u></u>

### 14. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the School to deliver education to students in a safe environment, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. Over the past two years, the School has been awarded funds from various sources to be used to respond to the impacts of the COVID-19 pandemic. Of the amount awarded, approximately \$249,000 was expended and recognized as revenue during the current fiscal year. With these additional Federal resources, at this time management does not believe that the negative financial impact of the pandemic, if any, would be material to the School.



**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

# BLACK RIVER PUBLIC SCHOOL

## Detailed Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual - General Fund

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues</b>				
Local sources	\$ 1,017,414	\$ 1,018,930	\$ 984,585	\$ (34,345)
Intermediate sources	18,520	18,200	18,200	-
State sources	8,119,735	8,345,449	8,320,837	(24,612)
Federal sources	664,598	737,906	578,849	(159,057)
<b>Total revenues</b>	<b>9,820,267</b>	<b>10,120,485</b>	<b>9,902,471</b>	<b>(218,014)</b>
<b>Expenditures</b>				
Instruction:				
Elementary	1,734,123	1,918,131	1,882,439	(35,692)
Middle School	1,136,013	1,264,192	1,230,740	(33,452)
High School	1,861,985	1,851,461	1,800,620	(50,841)
Special education	884,385	795,394	747,057	(48,337)
Compensatory education	264,368	302,279	288,259	(14,020)
<b>Total instruction</b>	<b>5,880,874</b>	<b>6,131,457</b>	<b>5,949,115</b>	<b>(182,342)</b>
Supporting services:				
Pupil services	608,700	637,778	616,529	(21,249)
Instructional staff	153,990	209,506	181,881	(27,625)
Charter agency oversight	222,000	232,000	231,940	(60)
General administration	293,707	299,027	303,072	4,045
School administration	638,228	634,294	604,255	(30,039)
Support services business	164,734	218,853	215,477	(3,376)
Operation and maintenance	1,007,414	1,108,872	873,033	(235,839)
Pupil transportation services	81,005	82,954	56,575	(26,379)
Technology	167,776	180,768	140,756	(40,012)
<b>Total supporting services</b>	<b>3,337,554</b>	<b>3,604,052</b>	<b>3,223,518</b>	<b>(380,534)</b>
Athletics	165,286	169,294	148,410	(20,884)
Community services	15,402	21,250	18,686	(2,564)

continued...

# BLACK RIVER PUBLIC SCHOOL

## Detailed Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual - General Fund

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Expenditures (continued)</b>				
Debt service:				
Principal	\$ 460,000	\$ 4,399,100	\$ 4,396,543	\$ (2,557)
Interest and fiscal charges	112,251	114,432	116,063	1,631
Total debt service	<u>572,251</u>	<u>4,513,532</u>	<u>4,512,606</u>	<u>(926)</u>
Capital outlay	<u>400</u>	<u>400</u>	<u>-</u>	<u>(400)</u>
<b>Total expenditures</b>	<u>9,971,767</u>	<u>14,439,985</u>	<u>13,852,335</u>	<u>(587,650)</u>
Revenues over (under) expenditures	<u>(151,500)</u>	<u>(4,319,500)</u>	<u>(3,949,864)</u>	<u>369,636</u>
<b>Other financing sources (uses)</b>				
Insurance recoveries	1,500	1,500	-	(1,500)
Transfers out	(5,000)	(5,000)	(2,330)	(2,670)
Issuance of long-term debt	-	4,225,000	4,225,000	-
<b>Total other financing sources (uses)</b>	<u>(3,500)</u>	<u>4,221,500</u>	<u>4,222,670</u>	<u>(1,170)</u>
<b>Net change in fund balances</b>	<u>(155,000)</u>	<u>(98,000)</u>	<u>272,806</u>	<u>370,806</u>
Fund balances, beginning of year	<u>1,898,648</u>	<u>1,898,648</u>	<u>1,898,648</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,743,648</u>	<u>\$ 1,800,648</u>	<u>\$ 2,171,454</u>	<u>\$ 370,806</u>

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**NONMAJOR GOVERNMENTAL FUNDS**

# BLACK RIVER PUBLIC SCHOOL

## Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2022

	Special Revenue			Total
	Food Service	Student/School Activity	Capital Projects	
<b>Assets</b>				
Cash and cash equivalents	\$ 186,077	\$ 104,194	\$ 14,015	\$ 304,286
Due from other funds	10,506	-	-	10,506
Due from other governments	17,375	-	-	17,375
<b>Total assets</b>	<u>\$ 213,958</u>	<u>\$ 104,194</u>	<u>\$ 14,015</u>	<u>\$ 332,167</u>
<b>Liabilities</b>				
Accounts payable	\$ 9,032	\$ -	-	\$ 9,032
Due to other funds	28,938	-	18	28,956
Unearned revenue	7,952	-	-	7,952
<b>Total liabilities</b>	<u>45,922</u>	<u>-</u>	<u>18</u>	<u>45,940</u>
<b>Fund balances</b>				
Restricted	168,036	-	-	168,036
Committed	-	104,194	-	104,194
Assigned	-	-	13,997	13,997
<b>Total fund balances</b>	<u>168,036</u>	<u>104,194</u>	<u>13,997</u>	<u>286,227</u>
<b>Total liabilities and fund balances</b>	<u>\$ 213,958</u>	<u>\$ 104,194</u>	<u>\$ 14,015</u>	<u>\$ 332,167</u>

# BLACK RIVER PUBLIC SCHOOL

## Combining Statement of Revenues, Expenditures and Change in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2022

	Special Revenue			Total
	Food Service	Student/School Activity	Capital Projects	
<b>Revenues</b>				
Local sources	\$ 3,821	\$ 121,417	\$ 430	\$ 125,668
State sources	7,199		-	7,199
Federal sources	399,387	-	-	399,387
<b>Total revenues</b>	<b>410,407</b>	<b>121,417</b>	<b>430</b>	<b>532,254</b>
<b>Expenditures</b>				
Supporting services	-	104,482	-	104,482
Food services	310,597	-	-	310,597
Capital outlay	-	-	49	49
<b>Total expenditures</b>	<b>310,597</b>	<b>104,482</b>	<b>49</b>	<b>415,128</b>
Revenues over expenditures	99,810	16,935	381	117,126
<b>Other financing sources</b>				
Transfers in	2,330	-	-	2,330
<b>Net change in fund balances</b>	<b>102,140</b>	<b>16,935</b>	<b>381</b>	<b>119,456</b>
Fund balances, beginning of year	65,896	87,259	13,616	166,771
<b>Fund balances, end of year</b>	<b>\$ 168,036</b>	<b>\$ 104,194</b>	<b>\$ 13,997</b>	<b>\$ 286,227</b>