

Audited Financial Statements

New School High

Plymouth, Michigan

June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of New School High

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New School High, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the New School High's basic financial statements as listed in the table of contents.

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 the New School High, as of June 30, 2022, and the respective changes in financial position 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the New School High 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.

Adoption of New Accounting Standard

As described in Note 10 to the financial statements, in 2022, the Academy adopted new accounting guidance, GASB Statement No 87, *Leases*. Our opinion is not modified with respect to this matter.

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 New School High'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.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 New School High'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 New School High'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 and budgetary comparison information as detailed 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 New School High's basic financial statements. The accompanying schedules of revenues and expenditures 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 was derived from and relates 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 schedules of revenues and expenditures 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 our report dated October 28, 2022, on our consideration of the New School High'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 New School High'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 New School High's internal control over financial reporting and compliance.



Croskey Lanni, PC

Rochester, Michigan
October 28, 2022



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

**To the Board of Directors
of New School High**

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of New School High, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise New School High's basic financial statements, and have issued our report thereon dated October 28, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered New School High's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of New School High's internal control. Accordingly, we do not express an opinion on the effectiveness of New School High's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Croskey Lanni, PC

Rochester, Michigan
October 28, 2022

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of New School High’s annual financial report presents our discussion and analysis of the school’s financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the school’s financial statements, which immediately follow this section.

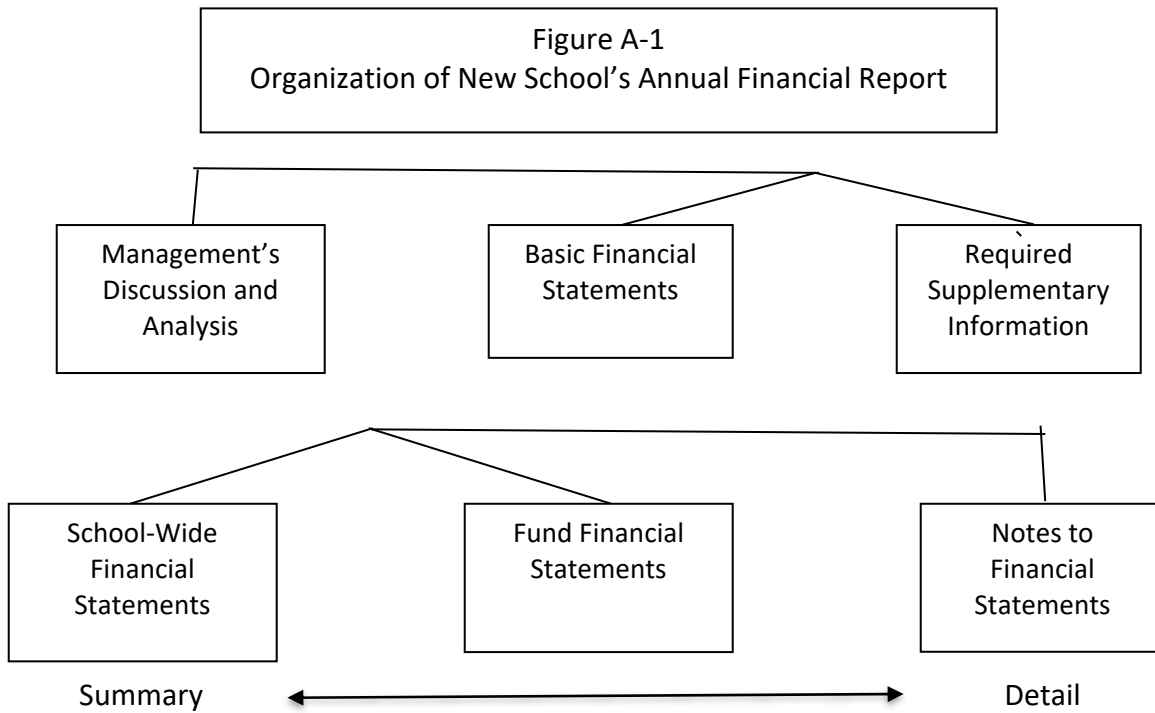
FINANCIAL HIGHLIGHTS

- ❖ The total cost of basic programs was \$247,096.
- ❖ Revenues were \$511,190 while expenditures were \$633,204.
- ❖ Blended enrollment used for state aid purposes was 47.54 – a decrease of 22.23 students from 2020-21.
- ❖ The school did not borrow during the year.
- ❖ The school had a positive General Fund balance of \$116,537.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the school:

- The first two statements are school-wide financial statements that provide both short-term and long-term information about the school’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the school, reporting the school's operations in more detail.
- The governmental fund statements tell how basic services like regular and special education were financed.
- Fiduciary funds statements provide information about the financial relationships in which the school acts solely as a trustee or agent for the benefit of others. These consist of student activity funds held by the school on behalf of the student group.



The 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 required supplementary information that further explains and supports the financial statements with a comparison of the school's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-2
Major Features of School-Wide and Fund Financial Statements

	School-Wide Statements	Government Funds
Scope	Entire school (except fiduciary funds)	The activities of the school that are not proprietary or fiduciary, such as special education and building maintenance.
Required financial statements	*Statement of net position *Statement of activities	*Balance sheet *Statement of revenues, expenditures and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable

Figure A-2 summarizes the major features of the school’s financial statements, including the portion of the school’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

SCHOOL-WIDE STATEMENTS

The school-wide statements report information about 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 and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two school-wide statements report the school’s net position and how it has changed. Net position – the difference between the school’s assets and liabilities – are one way to measure the school’s financial health or position.

- ❖ Over time, increases or decreases in the school’s assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- ❖ To assess the overall health of the school, you need to consider additional non-financial factors such as changes in the school’s enrollment and the condition of school buildings and other facilities.

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 as a whole. Funds are accounting devices the school uses to keep track of specific sources of funding and spending on particular programs:

- ❖ *Governmental activities* – Most of the school’s basic services are included in the general fund, such as regular and special education and administration. State foundation aid finances most of these activities.
- ❖ The school establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues.

The school has one kind of fund:

- ❖ *Governmental funds* – Most of the school’s basic 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 you determine 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 school-wide statements, we provide additional information with governmental funds statements that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

The school's financial position is the product of many factors.

General Fund Budgetary Analysis

The board reviewed the budget and adopted budget amendments three times during the year. All amendments anticipated negative net income.

In November 2021 the budget amendment decreased state revenue and increased federal revenue. It increased basic programs, pupil support, school administration, business services and central support services expenditures. It decreased added needs, instructional staff support, general administration and operations & maintenance expenditures.

In April 2022 the second budget amendment decreased local and federal revenue while increasing state revenue and adding a fund modification. This amendment increased basic programs, instructional staff support, school administration, business services, operations & maintenance and pupil transportation expenditures. It decreased added needs, general administration and central support services expenditures.

In June 2022 the third budget amendment increased federal revenue. This amendment increased pupil support, business services and operations & maintenance expenditures. It decreased basic programs and added needs expenditures.

Financial Outlook

The New School High's financial forecast is pessimistic heading into the 2022-2023 school year.

- ❖ While the per pupil state aid allowance will increase \$450, enrollment is stabilizing in 2022-2023. The school board anticipates fund balance will be used to pay 22-23 expenditures that exceed the year's revenue.
- ❖ In June 2023 the School expects to graduate 14 students. This is a slight increase from 10 graduates in 2022. Prior years included 19 graduates in 2021, 15 graduates in 2020, 18 graduates in 2019 and 3 graduates in 2018.
- ❖ Per pupil funding in Michigan continues to rise - \$7,511 (2016-17), \$7,631 (2017-18), \$7,871 (2018-19), \$8,111 (2019-20), \$8,711 (2020-21) and \$9,150 (2022-23) .
- ❖ The School Leader role continues while Student Support and Administration roles will be reduced. Instructional and Business staff will be maintained despite the student enrollment.
- ❖ Challenges ahead include the need to (1) increase student enrollment, (2) recruit board members, and (3) implement a strategic direction for the school .

**Table A-3
New School High's Net Position**

	<u>2022</u>	<u>2021 *</u>
Current and other assets	\$ 177,866	\$ 319,224
Capital assets	35,752	-
Deferred outflows	<u>21,326</u>	<u>49,280</u>
Total assets and deferred outflows	<u>234,944</u>	<u>368,504</u>
Other liabilities	97,244	145,437
Deferred inflows	<u>69,232</u>	<u>34,714</u>
Total liabilities and deferred inflows	<u>166,476</u>	<u>180,151</u>
Net position:		
Restricted	(163)	-
Unrestricted	<u>68,631</u>	<u>188,353</u>
Total net position	<u>\$ 68,468</u>	<u>\$ 188,353</u>

**Table A-4
Changes in New School High's Net Position**

	<u>2022</u>	<u>2021 *</u>
Revenues:		
Program revenues:		
Federal and state operating grants	\$ 79,215	\$ 113,076
General revenues:		
State aid - unrestricted	420,775	572,695
Miscellaneous	<u>11,200</u>	<u>18,259</u>
Total revenues	<u>511,190</u>	<u>704,030</u>
Expenses:		
Instruction	292,374	345,644
Support services	301,230	317,403
Interest on long-term debt	1,719	-
Unallocated depreciation / amortization	<u>35,752</u>	<u>5,495</u>
Total expenses	<u>631,075</u>	<u>668,542</u>
Increase (decrease) in net position	<u>\$ (119,885)</u>	<u>\$ 35,488</u>

* The 2021 figures have not been updated for the adoption of GASB 87

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2022, the school had invested \$35,752 in capital assets, including computers and software. See table A-5 below for a listing of capital assets, and the accumulated depreciation/amortization.

**Table A-5
New School High's Capital Assets**

	Balance June 30, 2022	Balance June 30, 2021 *
Equipment	\$ 60,789	\$ 60,789
Computers	34,615	34,615
Right to use assets	71,504	-
Subtotal	166,908	95,404
Accumulated depreciation / amortization	131,156	95,404
Net book value of assets	<u>\$ 35,752</u>	<u>\$ -</u>

* The 2021 figures have not been updated for the adoption of GASB 87

FACTORS BEARING ON THE SCHOOL'S FUTURE

- While the state aid foundation grant per pupil funding is increasing in 2022-23 to \$9,150, the funding calculation will include a slight student count increase.
- The student enrollment has declined since 2019-20.
- Students need to make progress towards graduation in 2022-23. Many students need credit recovery. Virtual courses and dual enrollment will support students' graduation requirements and interests.
- In 2022-23 the school nears the end of leases and service agreements.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our students, parents and creditors with a general overview of the school's finances and to demonstrate the school's accountability for the money it receives. If you have questions about this report or need additional information, contact the school office at:

46250 Ann Arbor Road
Plymouth MI 48170
(734) 386-6601
administration@newschoolhigh.org

NEW SCHOOL HIGH

STATEMENT OF NET POSITION JUNE 30, 2022

ASSETS AND DEFERRED OUTFLOWS

Current Assets

Cash and cash equivalents	\$	79,918
Due from other governmental units		78,978
Prepaid expenses		<u>18,970</u>
Total current assets		177,866

Capital Assets - Net of Accumulated Depreciation / Amortization

35,752

Deferred Outflows

Related to pension		13,816
Related to other post employment benefits		<u>7,510</u>
Total deferred outflows		<u>21,326</u>
Total assets and deferred outflows	\$	<u><u>234,944</u></u>

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

Current Liabilities

Accounts payable	\$	18,802
Unearned revenue		2,765
Other accrued expenses		39,762
Long-term debt - current portion		<u>35,915</u>
Total current liabilities		97,244

Deferred Inflows

Related to pension		52,024
Related to other post employment benefits		<u>17,208</u>
Total deferred inflows		<u>69,232</u>
Total liabilities and deferred inflows		166,476

Net Position

Net investment in capital assets		(163)
Unrestricted		<u>68,631</u>
Total net position		<u>68,468</u>
Total liabilities, deferred inflows and net position	\$	<u><u>234,944</u></u>

See accompanying notes to financial statements

NEW SCHOOL HIGH

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants</u>	<u>Net (Expense) Revenues and Changes in Net Position Government Type Activities</u>
Functions				
Instruction				
Basic programs	\$ 247,096	\$ -	\$ 13,231	\$ (233,865)
Added needs	45,278	-	45,298	20
Support services				
Pupil support services	40,587	-	19,646	(20,941)
Instructional staff support services	1,090	-	1,040	(50)
General administration	42,038	-	-	(42,038)
School administration	113,654	-	-	(113,654)
Business support services	54,084	-	-	(54,084)
Operations and maintenance	39,364	-	-	(39,364)
Pupil transportation services	711	-	-	(711)
Central support services	9,702	-	-	(9,702)
Unallocated depreciation / amortization	35,752	-	-	(35,752)
Unallocated interest	1,719	-	-	(1,719)
	<u>\$ 631,075</u>	<u>\$ -</u>	<u>\$ 79,215</u>	<u>\$ (551,860)</u>
General Purpose Revenues				
State school aid - unrestricted				420,775
Miscellaneous revenues				11,200
				<u>431,975</u>
Change in net position				(119,885)
Net position - July 1, 2021				<u>188,353</u>
Net position - June 30, 2022				<u>\$ 68,468</u>

See accompanying notes to financial statements

NEW SCHOOL HIGH

COMBINED BALANCE SHEET – ALL GOVERNMENTAL FUNDS JUNE 30, 2022

ASSETS

Cash and cash equivalents	\$	79,918
Due from other governmental units		78,978
Prepaid expenses		<u>18,970</u>
Total assets	\$	<u><u>177,866</u></u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$	18,802
Unearned revenue		2,765
Other accrued expenses		<u>39,762</u>
Total liabilities		61,329

Fund Balance

Nonspendable		18,970
Unassigned		<u>97,567</u>
Total fund balance		<u>116,537</u>
Total liabilities and fund balance	\$	<u><u>177,866</u></u>

See accompanying notes to financial statements

NEW SCHOOL HIGH

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2022

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

Total Governmental Fund Balances		\$ 116,537
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$166,908 and the accumulated depreciation / amortization is \$131,156.		35,752
Deferred Outflows of Resources:		
Related to pensions	\$ 13,816	
Related to OPEB	<u>7,510</u>	21,326
Deferred Inflows of Resources:		
Related to pension	\$ (52,024)	
Related to OPEB	<u>(17,208)</u>	(69,232)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(35,915)</u>
Net Position of Governmental Activities		<u><u>\$ 68,468</u></u>

See accompanying notes to financial statements

NEW SCHOOL HIGH

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – ALL GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022

Revenues

Local sources	\$ 11,200
State sources	440,774
Federal sources	<u>59,216</u>
Total governmental fund revenues	511,190

Expenditures

Instruction	
Basic programs	247,096
Added needs	45,278
Support services	
Pupil support services	40,587
Instructional staff support services	1,090
General administration	42,038
School administration	115,946
Business support services	54,084
Operations and maintenance	39,364
Pupil transportation services	711
Central support services	9,702
Debt principal and interest	<u>37,308</u>
Total governmental fund expenditures	<u>633,204</u>

Excess (deficiency) of revenues over expenditures (122,014)

Fund balance - July 1, 2021 238,551

Fund balance - June 30, 2022 \$ 116,537

See accompanying notes to financial statements

NEW SCHOOL HIGH

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

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

Net Change in Fund Balances - Total Governmental Funds	\$ (122,014)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Depreciation and amortization expense	(35,752)
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Change in pension expense related to deferred items	2,997
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Change in OPEB expense related to deferred items	(705)
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The governmental funds report loan proceeds as an other financing source, while repayment of loan principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general loan obligations is as follows:

Repayment of loan principal	<u>35,589</u>
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Change in Net Position of Governmental Activities	<u><u>\$ (119,885)</u></u>
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See accompanying notes to financial statements

NEW SCHOOL HIGH

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of New School High (the “Academy”) conform to generally accepted accounting principles applicable to public school academies. The following is a summary of the significant accounting policies:

Reporting Entity

New School High was formed as a public school academy pursuant to the Michigan School Code of 1976, as amended by Act No. 362 of the Public Acts of 1993 and Act No. 416 of the Public Acts of 1994. The Academy filed articles of incorporation as a nonprofit corporation pursuant to the provisions of the Michigan Nonprofit Corporation Act of 1982, as amended, on April 8, 2014, and began operation in July 2015.

In July 2019, the Academy entered into a five-year contract with the Eastern Michigan University’s Board of Regents to charter a public school academy. The contract requires the Academy to act exclusively as a governmental agency and not undertake any action inconsistent with its status as an entity authorized to receive state school aid funds pursuant to the State constitution. The University’s Board of Regents is the fiscal agent for the Academy and is responsible for overseeing the Academy’s compliance with the contract and all applicable laws. The Academy pays the Eastern Michigan University’s Board of Regents three percent of state aid as administrative fees. Total administrative fees paid for the year ended June 30, 2022 were approximately \$12,410.

In May 2015, the Academy entered into an agreement with AP Educational HR, LLC (AP HR). The agreement shall continue until June 2018, and if not terminated, the agreement shall automatically renew for successive one-year terms, until terminated by either party. Under the terms of this agreement, AP HR provides a variety of services including payroll and other human resource services. The Academy is obligated to pay AP HR 3.47 percent of gross payroll. The total paid for these services amounted to approximately \$14,130 for the year ended June 30, 2022.

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

Fund Financial Statements

Fund financial statements report detailed information about the Academy. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Basis of Presentation – Fund Accounting

The accounts of the Academy are organized on the basis of funds. The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue and expenditures. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the combined financial statements in this report, into generic fund types in two broad fund categories.

NEW SCHOOL HIGH

NOTES TO FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Governmental Funds

A governmental fund is a fund through which most Academy functions typically are financed. The acquisition, use and balances of the Academy's expendable financial resources and the related current liabilities, are accounted for through a governmental fund.

General Fund - The general fund is used to record the general operations of the Academy pertaining to education and those operations not provided for in other funds. Included are all transactions related to the approved current operating budget.

Debt Service Fund - The debt service fund, which the Academy does not currently maintain, is used to record certain revenue and the payment of interest, principal and other expenditures on long-term debt.

Capital Projects Fund - The capital projects fund, which the Academy does not currently maintain, accounts for financial resources to be used for the acquisition, construction, or improvement of capital facilities.

Governmental and agency funds utilize the modified accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

- a. Revenue that is both measurable and available for use to finance operations is recorded as revenue when earned. 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 Academy considers revenues to be available if they are collected within sixty days of the end of the current fiscal period.
- b. Payments for inventorial types of supplies, which are not significant at year end, are recorded as expenditures at the time of purchase.
- c. Principal and interest of general long-term debt are not recorded as expenditures until their due dates.
- d. The State of Michigan utilizes a foundation allowance funding approach, which provides for specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenue from state sources is primarily governed by the School Aid Act and the School Code of Michigan. The state portion of the foundation is provided from the State's School Aid Fund and is recognized as revenue in accordance with state law. A major portion of the Academy's revenue is derived from this state aid. As such, the Academy is considered to be economically dependent on this aid. The Academy's existence is dependent upon qualification for such aid.

NEW SCHOOL HIGH

NOTES TO FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Government-Wide 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 non-fiduciary activities of the primary government. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationships between the government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the Academy and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. The Academy does not allocate indirect expenses to programs. In creating the government-wide financial statements the Academy has eliminated inter-fund transactions. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or function is self-financing or draws from the general revenues of the Academy.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Academy first utilizes restricted resources to finance qualifying activities.

Cash and Cash Equivalents

The Academy's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition. The Academy reports its investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and GASB No. 40, Deposit and Investment Risk Disclosures. Under these standards, certain investments are valued at fair value as determined by quoted market prices or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the Academy intends to hold the investment until maturity. The Academy held no investments during the year ended June 30, 2022. State statutes authorize the Academy to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, saving accounts, deposit accounts, and or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Corporation or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The Academy is also authorized to invest in U.S. Government or Federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

NEW SCHOOL HIGH

NOTES TO FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Receivables

Receivables at June 30, 2022 consist primarily of state school aid due from the State of Michigan and the federal government. All receivables are expected to be fully collected in July and August of 2022 and are considered current for the purposes of these financial statements.

Prepaid Assets

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

Capital Assets and Depreciation

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions or retirements during the year. The Academy follows the policy of not capitalizing assets with a useful life of less than one year. The Academy does not possess any infrastructure assets.

All reported capital assets, with the exception of land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Right to use assets of the Academy are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives. Depreciation is computed using the straight-line method over the following useful lives:

Building and improvements	10 – 50 years
Equipment	5 – 15 years
Computers	3 – 10 years

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion of capital leases that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

NEW SCHOOL HIGH

NOTES TO FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets, deferred outflows and liabilities and deferred inflows. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors or laws of regulations of other governments.

Fund Equity

The Academy has adopted GASB 54 as part of its fiscal year reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Academy's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on those resources.

Fund Equity

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. This category typically includes prepaid items and inventories.

In addition to nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- a. *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

NEW SCHOOL HIGH

NOTES TO FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- b. *Committed fund balance* – amounts constrained to specific purposes by the Board; to be reported as committed, amounts cannot be used for any other purpose unless the Board takes action to remove or change the constraint.
- c. *Assigned fund balance* – amounts the Board intends to use for a specific purpose; intent can be expressed by the Board or by an official or committee to which the Board delegates the authority.
- d. *Unassigned fund balance* – amounts that are available for any purpose; these amounts are reported only in the general fund.

The Academy follows the policy that restricted, committed, or assigned amounts will be considered to have been spent when an expenditure is incurred for purposes for which both unassigned and restricted, committed, or assigned fund balances are available. There are no governmental funds with a deficit.

Leases

At the commencement of a lease, the Academy initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the Academy determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Academy uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Academy generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Academy is reasonably certain to exercise.

The Academy monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations on the statement of net position.

NEW SCHOOL HIGH

NOTES TO FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Upcoming Accounting Pronouncements

In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2022-2023 fiscal year.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are adopted on a consistent basis with accounting principles generally accepted in the United States of America and state law for the general fund. All annual appropriations lapse at fiscal year end and encumbrances are not formally recorded.

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. Expenditures in excess of amounts budgeted is a violation of Michigan Law. The Academy is required by law to adopt general and special revenue fund budgets. During the year ended June 30, 2022 the budget was amended in a legally permissible manner. A comparison of the budget versus actual can be found on page 18 of these financial statements.

NOTE 3 - DEPOSITS AND INVESTMENTS

Interest Rate Risk

In accordance with its investment policy, the Academy will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Academy's cash requirements.

NEW SCHOOL HIGH

NOTES TO FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS – Continued

Credit Risk

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2022, the Academy did not hold any investments.

Concentration of Credit Risk

The Academy will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Academy's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

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. As of June 30, 2022, none of the Academy's cash balances were uninsured. All cash balances were uncollateralized as of June 30, 2022.

Custodial Credit Risk - Investments

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

The Academy will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Academy will do business.

Foreign Currency Risk

The Academy is not authorized to invest in investments which have this type of risk.

Fair Value

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Academy has the ability to access.

NEW SCHOOL HIGH

NOTES TO FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS – Continued

- b. Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.
- c. Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The observable inputs should be developed based on the best information available in the circumstances and may include the Academy's own data.)

The Academy does not have any investments that are subject to the fair value measurement.

NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of the following:

State sources	\$	78,266
Federal sources		<u>712</u>
Total	\$	<u><u>78,978</u></u>

NOTE 5 - CAPITAL ASSETS

Capital asset activity of the Academy's governmental activities was as follows:

	As Restated Balance July 1, 2021	Additions	Disposals	Balance June 30, 2022
Capital assets subject to depreciation / amortization				
Right to use - building	\$ 71,504	\$ -	\$ -	\$ 71,504
Equipment	60,789	-	-	60,789
Computer	<u>34,615</u>	<u>-</u>	<u>-</u>	<u>34,615</u>
Sub-total	166,908	-	-	166,908
Accumulated depreciation / amortization				
Right to use - building	-	35,752	-	35,752
Equipment	60,789	-	-	60,789
Computer	<u>34,615</u>	<u>-</u>	<u>-</u>	<u>34,615</u>
Sub-total	<u>95,404</u>	<u>35,752</u>	<u>-</u>	<u>131,156</u>
Total net capital assets	<u><u>\$ 71,504</u></u>	<u><u>\$ (35,752)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 35,752</u></u>

NEW SCHOOL HIGH

NOTES TO FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS - Continued

Depreciation and amortization expense was not charged to activities as the Academy considers its assets to impact multiple activities and allocation is not practical.

NOTE 6 – OTHER ACCRUED EXPENSES

Other accrued expenses may be summarized as follows:

Purchased services - payroll and benefits	\$	36,446
Oversight fee		2,257
Other expenses		<u>1,059</u>
Total other accrued expenses	<u>\$</u>	<u>39,762</u>

NOTE 7 – LONG-TERM OBLIGATIONS PAYABLE

The following is a summary of long-term obligations payable for the Academy during the year ended June 30, 2022:

Loan Information

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Other</u>
Direct borrowing - building	3.50%	June, 2023	Monthly payment varies, dependent upon student count

Loan Activity

	<u>As Restated Balance July 1, 2021</u>	<u>Additions</u>	<u>Retirements and Payments</u>	<u>Balance June 30, 2022</u>	<u>Due Within One Year</u>
Direct borrowing - building	<u>\$ 71,504</u>	<u>\$ -</u>	<u>\$ 35,589</u>	<u>\$ 35,915</u>	<u>\$ 35,915</u>

Following are maturities of long-term obligations for principal and interest for the next year:

	<u>Principal</u>	<u>Interest</u>
2023	\$ 35,915	\$ 685

NEW SCHOOL HIGH

NOTES TO FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - RETIREMENT PLAN

All leased employees of the Academy are eligible to participate in a retirement plan established by "AP HR" which qualifies under the provisions of Section 401(k) of the Internal Revenue Code. Eligible employees may contribute up to 15% of their salaries under the terms of this plan.

NOTE 9 - RISK MANAGEMENT

The Academy is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (worker's compensation), as well as medical benefits provided to employees. The Academy has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage since its inception.

NOTE 10 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2022, the Academy implemented the following new pronouncement: GASB Statement No. 87, *Leases*.

Summary

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, was issued by the GASB in June 2017. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The restatement of the beginning of the year balances had no impact on net position. The changes to capital assets and long-term obligations is as follows:

	<u>Capital Assets</u>	<u>Long Term Obligations</u>
Balances as of July 1, 2021, as previously stated	\$ -	\$ -
Adoption of GASB Statement 87	<u>71,504</u>	<u>71,504</u>
Balances as of July 1, 2021, as restated	<u>\$ 71,504</u>	<u>\$ 71,504</u>

SUPPLEMENTARY INFORMATION

NEW SCHOOL HIGH

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Local sources	\$ 4,133	\$ 1,593	\$ 11,200	\$ 9,607
State sources	615,989	440,695	440,774	79
Federal sources	41,300	58,699	59,216	517
Total general fund revenues	661,422	500,987	511,190	10,203
Expenditures				
Instruction				
Basic programs	255,539	258,234	247,096	(11,138)
Added needs	55,759	45,698	45,278	(420)
Support services				
Pupil support services	40,069	42,249	40,587	(1,662)
Instructional staff support services	2,058	1,090	1,090	-
General administration	49,099	42,762	42,038	(724)
School administration	109,240	121,109	115,946	(5,163)
Business support services	52,482	54,078	54,084	6
Operations and maintenance	88,513	39,516	39,364	(152)
Pupil transportation services	-	731	711	(20)
Central support services	9,024	9,702	9,702	-
Debt principal and interest	-	37,400	37,308	(92)
Total general fund expenditures	661,783	652,569	633,204	(19,365)
Excess (deficiency) of revenues over expenditures	(361)	(151,582)	(122,014)	29,568
Fund balance - July 1, 2021	238,551	238,551	238,551	-
Fund balance - June 30, 2022	\$ 238,190	\$ 86,969	\$ 116,537	\$ 29,568

NEW SCHOOL HIGH

SCHEDULE OF REVENUES – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2022

Local Sources

Earnings on investments	\$	45
Student activities		4,474
Other local revenues		<u>6,681</u>
Total local sources		11,200

State Sources

At risk		8,529
Special education		11,470
State aid and other grants		<u>420,775</u>
Total state sources		440,774

Federal Sources

IDEA		44,945
Title II A		1,040
Other program revenue		<u>13,231</u>
Total federal sources		<u>59,216</u>
Total general fund revenues	\$	<u><u>511,190</u></u>

NEW SCHOOL HIGH

SCHEDULE OF EXPENDITURES – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2022

Basic Programs

Purchased services	\$ 240,189
Supplies and materials	2,297
Other expenditures	<u>4,610</u>
Total basic programs	247,096

Added Needs

Purchased services	43,738
Other expenditures	<u>1,540</u>
Total added needs	45,278

Pupil Support Services

Guidance services	27,061
Health services	2,417
Psychological services	2,381
Speech pathology and audiology	1,969
Social work services	<u>6,759</u>
Total pupil support services	40,587

Instructional Staff Support Services

Purchased services	1,090
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General Administration

Purchased services	42,038
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School Administration

Purchased services	110,106
Rentals	3,254
Supplies and materials	1,267
Other expenditures	<u>1,319</u>
Total school administration	115,946

NEW SCHOOL HIGH

SCHEDULE OF EXPENDITURES - GENERAL FUND - Continued FOR THE YEAR ENDED JUNE 30, 2022

Business Support Services

Purchased services	53,185
Other expenditures	<u>899</u>
Total business support services	54,084

Operations and Maintenance

Purchased services	19,152
Repairs and maintenance	5,230
Supplies and materials	<u>14,982</u>
Total operations and maintenance	39,364

Pupil Transportation Services

Rentals	711
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Central Support Services

Purchased services	7,695
Repairs and maintenance	<u>2,007</u>
Total central support services	9,702

Debt Principal and Interest

	<u>37,308</u>
Total general fund expenditures	<u><u>\$ 633,204</u></u>