

SAGINAW AREA CATHOLIC SCHOOLS
Saginaw, Michigan

FINANCIAL STATEMENTS
June 30, 2023



Gardner | Provenzano
Thomas & Luplow

CERTIFIED PUBLIC ACCOUNTANTS

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CERTIFIED PUBLIC ACCOUNTANTS

Frederick C. Gardner
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Heather A. Thomas
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INDEPENDENT AUDITOR'S REPORT

November 30, 2023

To the Board of Trustees
Saginaw Area Catholic Schools
Saginaw, Michigan

Qualified Opinion

We have audited the accompanying financial statements of Saginaw Area Catholic Schools, (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Saginaw Area Catholic Schools as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As explained in Note 1 to the financial statements, Saginaw Area Catholic Schools chooses to expense purchases of property, furniture, and equipment with an estimated useful life greater than one year in the year of purchase. Accounting principles generally accepted in the United States of America require that all capital expenditures be capitalized and depreciated over their estimated useful lives. The effects on the accompanying financial statements of the failure to capitalize and depreciate capital assets have not been determined.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Saginaw Area Catholic Schools 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 qualified audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Saginaw Area Catholic Schools' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of Saginaw Area Catholic Schools' 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Saginaw Area Catholic Schools' 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.

Report on Summarized Comparative Information

We have previously audited Saginaw Area Catholic Schools' 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Martine, Provencano, Thomas & Lupton

Certified Public Accountants

SAGINAW AREA CATHOLIC SCHOOLS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(With Comparative Totals at June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
<u>Assets</u>				
Cash	\$ 189,610	\$ -	\$ 189,610	\$ 168,169
Deposit and loan accounts	7,091	258,268	265,359	280,289
Accounts receivable - net of allowance for doubtful accounts of \$63,759 (\$351,950 in 2022)	902,004	-	902,004	1,088,732
Due from unrestricted	-	305,825	305,825	132,273
Due from restricted	170,411	-	170,411	62,091
Scrip inventory	8,397	-	8,397	8,937
Prepaid expenses	775	-	775	5,338
Total assets	<u>\$ 1,278,288</u>	<u>\$ 564,093</u>	<u>\$ 1,842,381</u>	<u>\$ 1,745,829</u>
<u>Liabilities and Net Assets</u>				
<u>Liabilities</u>				
Accounts payable	\$ 554,350	\$ -	\$ 554,350	\$ 439,084
Accrued payroll and related taxes	166,728	-	166,728	176,455
Loans payable	-	-	-	413,083
Due to restricted	305,825	-	305,825	132,273
Due to unrestricted	-	170,411	170,411	62,091
Deferred revenue	14,706	-	14,706	5,402
Advance comprehensive fees	-	-	-	11,909
Advance registration fees	-	-	-	43,720
Advance tuition payments	339,089	-	339,089	289,487
Total liabilities	<u>1,380,698</u>	<u>170,411</u>	<u>1,551,109</u>	<u>1,573,504</u>
<u>Net Assets</u>				
Net assets (deficit)	(102,410)	393,682	291,272	172,325
Total liabilities and net assets	<u>\$ 1,278,288</u>	<u>\$ 564,093</u>	<u>\$ 1,842,381</u>	<u>\$ 1,745,829</u>

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

SAGINAW AREA CATHOLIC SCHOOLS
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
Operating activities				
Donations and bequests	\$ 189,273	\$ 336,829	\$ 526,102	\$ 471,850
Other revenue	209,658	-	209,658	40,788
Grants	84,750	-	84,750	425,233
Fundraising	465,590	-	465,590	596,362
Tuition	1,973,829	-	1,973,829	1,933,831
Parish assessments	1,232,921	-	1,232,921	1,207,014
Student fees	111,212	-	111,212	131,268
Transportation fees	23,196	-	23,196	30,452
Student lunch sales	93,053	-	93,053	92,758
Adult lunch sales	4,201	-	4,201	4,694
Admission fees	39,557	-	39,557	34,212
Student activities	24,492	-	24,492	24,423
Athletic revenue	5,435	-	5,435	6,046
Advertising revenue	26,407	-	26,407	18,340
Total revenue and support before releases	<u>4,483,574</u>	<u>336,829</u>	<u>4,820,403</u>	<u>5,017,271</u>
Net assets released from restrictions	<u>291,913</u>	<u>(291,913)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>4,775,487</u>	<u>44,916</u>	<u>4,820,403</u>	<u>5,017,271</u>
Operating expenses				
High school	1,181,688	-	1,181,688	1,209,804
Elementary school	1,979,951	-	1,979,951	1,999,242
Athletics	437,419	-	437,419	422,016
Administration	976,520	-	976,520	1,131,214
Development	201,523	-	201,523	160,002
Food service	153,211	-	153,211	142,650
Total operating expenses	<u>4,930,312</u>	<u>-</u>	<u>4,930,312</u>	<u>5,064,928</u>
Change in net assets from operating activities	(154,825)	44,916	(109,909)	(47,657)
Nonoperating activities				
Diocese of Saginaw	224,563	-	224,563	-
Interest	226	4,067	4,293	5,567
Change in net assets from nonoperating activities	<u>224,789</u>	<u>4,067</u>	<u>228,856</u>	<u>5,567</u>
Change in net assets	69,964	48,983	118,947	(42,090)
Net assets, beginning of year (deficit)	<u>(172,374)</u>	<u>344,699</u>	<u>172,325</u>	<u>214,415</u>
Net assets, end of year (deficit)	<u>\$ (102,410)</u>	<u>\$ 393,682</u>	<u>\$ 291,272</u>	<u>\$ 172,325</u>

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

SAGINAW AREA CATHOLIC SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Current Year					Prior Year				
	Program Activities					Total Expenses				
	High School	Elementary School	Athletics	Total Program	Administration	Development	Food Service	Total Support	2023	2022
Salaries	\$ 496,089	\$ 914,154	\$ 86,253	\$ 1,496,496	\$ 542,725	\$ 98,055	\$ 58,543	\$ 699,323	\$ 2,195,819	2,190,119
Benefits	147,949	274,226	12,205	434,380	99,301	28,585	12,723	140,609	174,989	574,346
Payroll taxes	35,819	67,157	12,179	115,155	53,553	6,804	4,347	64,704	179,859	187,270
Total salaries and related expenses	679,857	1,255,537	110,637	2,046,031	695,579	133,444	75,613	904,636	2,950,667	2,931,735
Goodwill	-	-	-	-	-	-	-	-	-	15
Donations and assistance	-	1,000	-	1,000	500	-	-	500	1,500	1,000
Scholarships	3,300	-	-	3,300	-	-	-	-	3,300	3,600
Professional and technical	36,242	67,282	84,229	187,753	98,332	-	-	104,007	291,760	313,723
Office and teaching supplies	27,266	50,144	4,175	81,585	7,995	6,720	-	14,715	96,300	146,989
Dues and memberships	3,779	3,169	1,161	8,109	253	366	129	748	8,857	11,066
Conferences and retreats	4,042	793	20	4,855	-	-	-	-	4,855	4,581
Bad debt	-	-	-	-	(52,170)	-	-	(52,170)	(52,170)	48,769
Travel and transportation	6,367	7,933	15,668	29,968	526	-	-	526	30,494	35,135
Publicity and promotion	-	1,394	1,068	2,462	1,080	44,416	-	45,496	47,958	40,956
Telephone	450	11,648	2	12,100	20,613	-	-	20,613	32,713	13,925
Utilities	134,755	73,473	10,229	218,457	-	-	-	-	218,457	227,055
Service contracts	104,865	129,398	1,800	236,063	1,691	-	-	1,691	237,754	229,044
Repairs and maintenance	19,348	75,501	85,989	180,838	88,834	13,788	2,147	104,769	285,607	210,617
Furnishings and equipment	38,762	72,213	2,731	113,706	1,747	763	-	2,510	116,216	104,476
Rentals and leases	566	-	5,100	5,666	70	-	-	70	5,736	16,687
Insurance	1,730	28,343	2,034	32,107	41,310	-	-	41,310	73,417	60,671
Athletic expense	-	-	31,796	31,796	-	-	-	-	31,796	41,010
Student activities	13,009	11,786	-	24,795	-	-	-	-	24,795	25,278
Taxes and assessments	-	788	-	788	-	-	-	-	788	776
Bank charges	-	-	-	-	2,780	-	-	2,780	2,780	5,268
Interest	-	-	-	-	3,573	-	-	3,573	3,573	7,575
Fundraising	107,350	189,289	80,780	377,419	63,071	1,930	-	65,001	442,420	516,125
Food service	-	260	-	260	736	96	69,647	70,479	70,739	68,852
Subtotal	501,831	724,414	326,782	1,553,027	280,941	68,079	77,598	426,618	1,979,645	2,133,193
Total expenses	\$ 1,181,688	\$ 1,979,951	\$ 437,419	\$ 3,599,058	\$ 976,520	\$ 201,523	\$ 153,211	\$ 1,331,254	\$ 4,930,312	\$ 5,064,928

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

SAGINAW AREA CATHOLIC SCHOOLS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 118,947	\$ (42,090)
Changes in operating assets and liabilities which provided (used) cash:		
Accounts receivable	186,728	(139,011)
Scrip inventory	540	(4,490)
Prepaid expenses	4,563	(2,267)
Accounts payable	115,266	135,124
Accrued payroll and related taxes	(9,727)	5,271
Advance comprehensive fee	(11,909)	(5,235)
Advance registration fee	(43,720)	(5,399)
Advance tuition payments	49,602	6,772
Deferred revenue	9,304	552
Net cash provided by operating activities	<u>419,594</u>	<u>(50,773)</u>
Cash flows from financing activities		
Principal payments on loans	<u>(413,083)</u>	<u>(16,353)</u>
Net cash provided by (used in) financing activities	<u>(413,083)</u>	<u>(16,353)</u>
Net increase (decrease) in cash and cash equivalents	6,511	(67,126)
Beginning cash and cash equivalents	<u>448,458</u>	<u>515,584</u>
Ending cash and cash equivalents	<u><u>\$ 454,969</u></u>	<u><u>\$ 448,458</u></u>
Supplemental disclosures of cash flow information		
Interest paid	<u><u>\$ 3,573</u></u>	<u><u>\$ 7,575</u></u>
	<u>2023</u>	<u>2022</u>
Cash	\$ 189,610	\$ 168,169
Deposit and loan accounts	265,359	280,289
Total cash and cash equivalents	<u><u>\$ 454,969</u></u>	<u><u>\$ 448,458</u></u>

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

SAGINAW AREA CATHOLIC SCHOOLS NOTES TO FINANCIAL STATEMENTS

NOTE 1--Summary of Significant Accounting Policies

Nature of Organization

Saginaw Area Catholic Schools (SACS) is a Catholic school system whose mission is to nurture, educate, and develop future Catholic leaders for an increasingly diverse world by providing a high quality education for students and by providing education opportunities to grow in their faith formation within the Catholic Church and the greater community. The Catholic schools that are part of this school system are Nouvel Catholic Central High School and Nouvel Catholic Central Elementary School. SACS' enrollment is approximately 615 students and its revenue comes primarily from tuition payments, student fees, parish assessments, fund raising, and contributions.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds by maintained in perpetuity.

SAGINAW AREA CATHOLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1--Summary of Significant Accounting Policies (Continued)

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to SACS's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

SAGINAW AREA CATHOLIC SCHOOLS NOTES TO FINANCIAL STATEMENTS

NOTE 1--Summary of Significant Accounting Policies (Continued)

Functional Expenses (Continued)

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries	Full time equivalent
Benefits	Full time equivalent
Payroll taxes	Full time equivalent
Goodwill	Time and effort
Donations and assistance	Time and effort
Scholarships	Time and effort
Professional and technical	Time and effort
Office and teaching supplies	Time and effort
Dues and memberships	Time and effort
Conferences and retreats	Time and effort
Bad debt	Time and effort
Travel and transportation	Time and effort
Publicity and promotion	Time and effort
Telephone	Time and effort
Utilities	Time and effort
Service contracts	Time and effort
Repairs and maintenance	Time and effort
Furnishings and equipment	Time and effort
Rentals and leases	Time and effort
Insurance	Time and effort
Athletic expense	Time and effort
Student activities	Time and effort
Taxes and assessments	Time and effort
Bank charges	Time and effort
Interest	Time and effort
Fundraising	Time and effort
Food service	Time and effort

Estimates

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

Cash and Equivalents

Cash consists of cash on hand and demand deposits with financial institutions and the Diocese of Saginaw Interparish Deposit and Loan Program. There were no cash equivalents at June 30, 2023 and 2022.

Accounts Receivable and Allowance

Accounts receivable are stated at the outstanding principle balance adjusted for the allowance for doubtful accounts. The allowance is calculated by management based on historical collection data and current past due accounts.

SAGINAW AREA CATHOLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1--Summary of Significant Accounting Policies (Continued)

Donated Services

A significant portion of Saginaw Area Catholic School's functions are conducted by unpaid officers, committee members, and volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria necessary for recognition.

Property, Furniture and Equipment

It is the policy of Saginaw Area Catholic Schools to expense purchases of property, furniture, and equipment in the year of purchase.

Income Taxes

Saginaw Area Catholic Schools is a non-profit organization, which is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Date of Management's Review

Subsequent events were evaluated through November 30, 2023, which is the date the financial statements were available to be issued.

NOTE 2--Assets with Donor Restrictions

Assets with donor restrictions are restricted for the following purposes or periods at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
College Scholarship	\$ 19,563	\$ 21,767
Financial Aid Scholarship	28,975	31,726
Brian Stephens Scholarship	41,340	41,532
Ryan Markey Scholarship	1,019	1,982
Academic Purposes	302,785	247,692
	<u>\$ 393,682</u>	<u>\$ 344,699</u>

SAGINAW AREA CATHOLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

NOTE 3--Lease Agreements

Saginaw Area Catholic Schools rents the first two floors of the building at 2555 Wieneke Road under a written agreement with the Diocese of Saginaw to house Nouvel Catholic Central High School for \$1 per year. SACS is responsible for all of the costs of maintaining its building space. Each of the individual schools that are part of the SACS system leases its copy machine. SACS incurred expenses of \$14,530 and \$17,721 associated with these leases during the years ended June 30, 2023 and 2022, respectively. Also included in the lease agreements are volume-based usage charges for the copy machines.

Minimum future commitments under these lease agreements are listed below.

<u>School Year</u>	<u>Amount</u>
2023/2024	<u>\$ 13,655</u>

NOTE 4--Retirement

Saginaw Area Catholic School's defined benefit retirement plan is provided for eligible lay employees under the Michigan Catholic Employees Retirement Plan (administered by the Michigan Catholic Conference). SACS contributes 8.6% of the eligible employee's salary to the plan. Contributions of \$176,367 and \$177,478 were made on behalf of employees by Saginaw Area Catholic Schools for the years ending June 30, 2023 and 2022, respectively.

NOTE 5--Concentration of Credit Risk

Cash is held at a federally insured credit union and the Diocese of Saginaw Interparish Deposit and Loan Program. Saginaw Area Catholic Schools has \$265,359 deposited in the Diocese of Saginaw Interparish Deposit and Loan Program. Amounts deposited with the Diocese of Saginaw Interparish Deposit and Loan Program Foundation are uninsured.

The following summarizes Saginaw Area Catholic Schools' credit union and deposit and loan account balances at June 30, 2023.

	<u>Insured</u>	<u>Uninsured</u>	<u>Total Bank balances</u>	<u>Carrying value</u>
Cash	\$ 250,000	\$ 30,018	\$ 280,018	\$ 189,610
Deposit and loan accounts with the Diocese of Saginaw	-	265,359	265,359	265,359
	<u>\$ 250,000</u>	<u>\$ 295,377</u>	<u>\$ 545,377</u>	<u>\$ 454,969</u>

SAGINAW AREA CATHOLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 6--Accounts Receivable

Accounts receivable at June 30, 2023 and 2022 are as follows:

	2023	2022
Parish assessments	\$ 134,821	\$ 1,112,032
Tuition	425,060	322,168
Diocese of Saginaw	405,470	-
Other	412	6,482
Less allowance for doubtful accounts - tuition	(63,759)	(115,929)
Less allowance for doubtful accounts - assessments	-	(236,021)
Net accounts receivable	<u>\$ 902,004</u>	<u>\$ 1,088,732</u>

The allowance for doubtful accounts at June 30, 2023 is recorded based on fifteen percent of the outstanding tuition balance at year-end.

NOTE 7--Assets without Donor Restrictions – Deficit

Saginaw Area Catholic Schools has a net asset without donor restrictions deficit of \$102,410 at June 30, 2023. Management is working to eliminate the deficit net asset position through the budgetary process.

NOTE 8--Liquidity and the Availability of Financial Assets

The following reflects SACS's financial assets as of the balance sheet date, reduced by the amounts not available for general use.

	2023	2022
Assets at year end	<u>\$ 1,842,381</u>	<u>\$ 1,745,829</u>
Less those not available for general expenditures within one year:		
Scrip inventory	(8,397)	(8,937)
Prepaid expenses	(775)	(5,338)
Internal accounts receivable	(476,236)	(194,364)
Assets available to meet general expenditures within one year	<u>\$ 1,356,973</u>	<u>\$ 1,537,190</u>

SAGINAW AREA CATHOLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 9--Revenue from Contracts with Customers

The following summarizes revenue by type for years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers	\$ 2,846,287	\$ 3,291,573
Revenue from other sources	2,198,679	1,725,698
Interest income	4,293	5,567
Total revenue	<u>\$ 5,049,259</u>	<u>\$ 5,022,838</u>

NOTE 9--Revenue from Contracts with Customers (continued)

Bad debt expense as a result of impairment loss on receivables on contract with customers and revenue from other sources was (\$52,170) and \$48,769 for the years ended June 30, 2023 and 2022, respectively. All revenue from contracts with customers is earned at a point in time for the years ended June 30, 2023 and 2022.

The following summarizes contract assets:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>July 1, 2021</u>
Accounts receivable	<u>\$ 425,060</u>	<u>\$ 322,168</u>	<u>\$ 263,359</u>

The following summarizes contract liabilities:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>July 1, 2021</u>
Advance tuition & fees	<u>\$ 339,089</u>	<u>\$ 345,116</u>	<u>\$ 348,978</u>