

**Hamtramck Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Donated Capital Assets**

As of November 2015 the District entered into a rental lease agreement, exchanging \$1 of rent in lieu of improvements to the District's stadium. As of June 30, 2020 the District received \$1,280,913 of improvements, which is recorded as capital assets. The donated capital assets are recognized over the life of the lease. As of June 30, 2020 there is unearned revenue of \$834,537 relating to the donated capital assets.

**Note 5 - Interfund Receivable And Payable**

Individual interfund receivable and payable balances at year end were:

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Funds	General Fund	\$ 647,024
General Fund	Agency Fund	39,322
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>207,857</u>
		<u>\$ 894,203</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

**Note 6 - Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

	Unearned
Grant and categorical aid payments received prior to meeting all eligibility requirements	\$ 319,754
Donated assets	<u>834,537</u>
Total	<u>\$ 1,154,291</u>

**Note 7 - Leases**

The School District entered into an operating lease for copiers during the fiscal year. The School District paid \$55,188 in the current year. The future minimum lease payments are as follows:

Year ending June 30,	\$
2021	55,188
2022	55,188
2023	<u>55,188</u>
Total	<u>\$ 165,564</u>

**Note 8 - Long-Term Debt**

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The State can withhold state aid if it has to make a bond payment on behalf of the School District related to qualified bonds. Other long-term obligations include compensated absences, claims and judgments, and certain risk liabilities.