Oakridge Public Schools

REPORT ON FINANCIAL STATEMENTS
(with required supplementary information)

Year ended June 30, 2019

Oakridge Public Schools

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BRICKLEY DELONG
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Education
Oakridge Public Schools
Muskegon, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oakridge Public Schools (the School District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Oakridge Public Schools as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information on pages 3 through 11 and 42 through 47 be presented to supplement the basic financial statements. Such information, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2019, on our consideration of Oakridge Public Schools' 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 Oakridge Public Schools' 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 Oakridge Public Schools' internal control over financial reporting and compliance.

Brickley DeLong, P.C.

Muskegon, Michigan
October 31, 2019

Oakridge Public Schools
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2019

The discussion and analysis of Oakridge Public School's financial performance provides an overall review of the school district's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to provide, in layman's terms, a look at the district's performance and past and current position. We encourage readers to consider the information presented here in conjunction with the financial statements and the notes to the financial statements.

This information is required by GASB 34 (Governmental Accounting Standards Board's Statement No. 34). GASB 34 requires the presentation of two basic types of financial statements; namely, District-wide Financial Statements and Fund Financial Statements.

Overview of the Financial Statements

This annual report consists of four parts: (1) management's discussion and analysis, (2) the independent auditors' report, (3) the basic financial statements, and (4) required supplementary information. The financial statements also include notes that explain some of the information in the statements and provide more detail 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 district's budget for the year.

District-wide Financial Statements

The district-wide statements provide a financial perspective of the District as a whole. These statements are "full accrual" basis of accounting and provide information about the district's overall financial status. They are used to help determine whether or not the district is better off or worse off as the result of the year's activities. There are two district-wide statements: the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* reports all of the district's assets, deferred inflows and outflows, and liabilities, both short-term and long-term, regardless if they are "currently available" or not. Capital assets and long-term obligations of the district are reported in this statement.

The *Statement of Activities* accounts for the current year's revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the information relative to funding received and expenditures made for district services.

The two district-wide statements report the district's net position and how they have changed. Net Position – the difference between the district's assets, deferred inflows and outflows, and liabilities – is one way to measure the district's financial health or position.

- Over time, increases or decreases in the district's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the district's overall health, one needs to consider additional non-financial factors such as changes in the district's property tax base, the quality of the education provided, and the condition of the district's buildings.

In the district-wide statements, the district's activities are classified as *governmental activities*. This includes most of the district's basic services, such as regular and special education, food service, athletics, transportation, and administration. Property taxes and state aid finance most of these services.

Fund Financial Statements

The fund financial statements focus on individual parts of the district, reporting the district's operations in more detail than the district-wide statements. The fund level statements are reported on a *modified accrual basis.* Only those assets that are "*measurable*" and "*currently available*" are reported. Liabilities are recognized to the extent they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual." In the State of Michigan, the district's major instructional and instructional support activities are reported in the *General Fund*. The primary funding sources for the general fund are from local property taxes, state foundation grant per student, state categorical funding for specific programs, federal grants and inter-governmental transfers.

Other funds include the Special Revenue Funds for Food Service and Technology Millage. The Debt Service Funds are used to record debt payments of principal and interest. Local property tax funds are used to pay the majority of the debt, with any unmet needs being covered by the Michigan School Bond Loan Program and Michigan School Loan Revolving Fund. The Capital Project Funds are used to record the costs associated with the acquisition of land, construction or improvement of school facilities, and for equipment purchases. The Agency Fund, known as internal accounts or student activity accounts, are held in a trustee capacity for various student or school related groups' financial transactions. Monies in these funds are not available for general school use.

Financial Analysis of the District as a Whole

The net position of the district as of June 30, 2019, amounted to approximately negative $27 million. Figure A-1 on the following page shows a condensed breakdown of the net position.

The largest portion of the district's net position reflects resources that are restricted as to how they may be used. This net position category represents investments in capital (e.g., land, buildings and improvements, and furniture and equipment), plus capital related deferred outflows of resources, less any related debt used to acquire those assets that are still outstanding. The district uses these capital assets to provide services to students; consequently, these assets are not available for spending. Although the district's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The debt used as a decrease to capital assets relates to general obligation bonds, which are paid from local property taxes.

Figure A-1
Condensed Statement of Net Position

	Governmental Activities	
	2019	**2018**
Current assets	$ 7,902,122	$ 5,302,111
Capital assets	20,042,529	20,595,245
Deferred outflows		
Deferred charges on refunding	146,957	165,327
Related to pensions and other postemployment benefits	12,917,949	7,791,239
Total assets and deferred outflows	41,009,557	33,853,922
Current liabilities	6,113,489	4,222,526
Noncurrent liabilities	56,141,981	53,595,742
Deferred inflows related to pensions and other postemployment benefits	5,775,047	3,015,867
Total liabilities and deferred inflows	68,030,517	60,834,135
Net position		
Net investment in capital assets	8,312,788	7,581,787
Restricted	170,244	100,960
Unrestricted	(35,503,992)	(34,662,960)
Total net position	**$ (27,020,960)**	**$ (26,980,213)**

Comments on Major Changes to Net Position

The net position of the district decreased approximately $41,000 during the 2018-19 year. Figure A-2 on the following page shows the breakdown of this change. The Statement of Activities presented later in the government-wide financial statements, provides detail on the district's annual activity. The cost of the district's governmental activities for the year was approximately $24.1 million. However, the amount that the district's taxpayers ultimately financed for these activities was $18 million because participants and other governments and organizations who subsidized certain programs with grants and contributions paid for approximately $6.1 million. The remaining "public benefit" portion was paid for with property taxes, state pupil foundation aid, investment earnings, and other miscellaneous revenues.

Figure A-2
Statement of Net Position from Operating Results

	Governmental Activities 2019	Governmental Activities 2018
Revenues		
Program Revenues		
Charges for services	$ 501,235	$ 603,877
Operating grants and contributions	5,674,292	5,241,162
General Revenues		
Property taxes	2,324,211	2,245,063
Unrestricted grants and contributions	15,506,494	14,585,276
Other	23,938	23,501
Total Revenues	**24,030,170**	**22,698,879**
Expenses		
Instruction	13,816,475	13,394,348
Support services	7,935,342	7,283,389
Community services	28,309	23,078
Food services	1,058,588	922,964
Athletics	480,765	397,744
Interest on long-term debt	706,069	744,860
Unallocated depreciation and amortization	45,369	45,369
Total Expenses	**24,070,917**	**22,811,752**
Change in net position	**(40,747)**	**(112,873)**
Beginning net position	**(26,980,213)**	**(26,867,340)**
Ending net position	**$ (27,020,960)**	**$ (26,980,213)**

Capital Asset and Debt Administration

Figure A-3
Summary of Capital Assets (Net of Depreciation)

	Governmental Activities	
	2019	**2018**
Land	$ 105,000	$ 105,000
Land improvements	121,726	158,718
Building and improvements	19,424,874	19,875,751
Equipment	276,924	349,887
Vehicles	114,005	105,889
Total	**$ 20,042,529**	**$ 20,595,245**

Comments on Capital Assets and Debt Administration

Capital Assets – A summary of the District's capital assets, net of depreciation, at year-end is outlined in figure A-3 above. Additional information on the district's capital assets can be found in note E of the Notes to the Financial Statements.

Debt Administration – A comparative summary of the District's indebtedness at year-end is outlined in figure A-4 below.

Under State statute, the District is legally restricted from incurring long-term bonded debt in excess of 15% of the assessed value of taxable property within the school district. Certain bonds are not included in the computation of the legal debt margin. At June 30, 2019, none of the District's bonded debt is subject to the debt limit. Additional information on the Oakridge Public Schools' long-term debt can be found in note H of the Notes to the Financial Statements.

Figure A-4
Summary of Indebtedness

	Outstanding June 30,	
	2019	**2018**
General obligation bonds	$ 11,876,698	$ 13,178,785
School bond loan fund	4,180,508	3,954,194
Compensated absences	110,787	108,140
Total	**$ 16,167,993**	**$ 17,241,119**

Financial Analysis of the District's Funds

The financial performance of the district as a whole is reflected in its governmental funds as well. The combined governmental funds equity increased by $730,550 during the 2018-19 fiscal year, resulting in combined governmental fund equity of approximately $3.23 million at year-end. The general fund equity ended the year at $2,234,855 or 11% of expenditures. The primary factors affecting the district's governmental funds' fund balance are listed below.

Factors Impacting Fund Equity

- *Student enrollment* – Proposal A tied funding for school districts to student enrollment. The district's blended count, on which our foundation allowance is based, was 2026 as opposed to 1981 the previous year.

- *Retirement benefits* – The district's required contribution rate for retirement benefits for its employees was 38.63% of payroll during 2018-19 compared to 36.88% in 2017-18.

- *Utility and fuel costs* – The district's costs for fuel and utilities remains highly volatile.

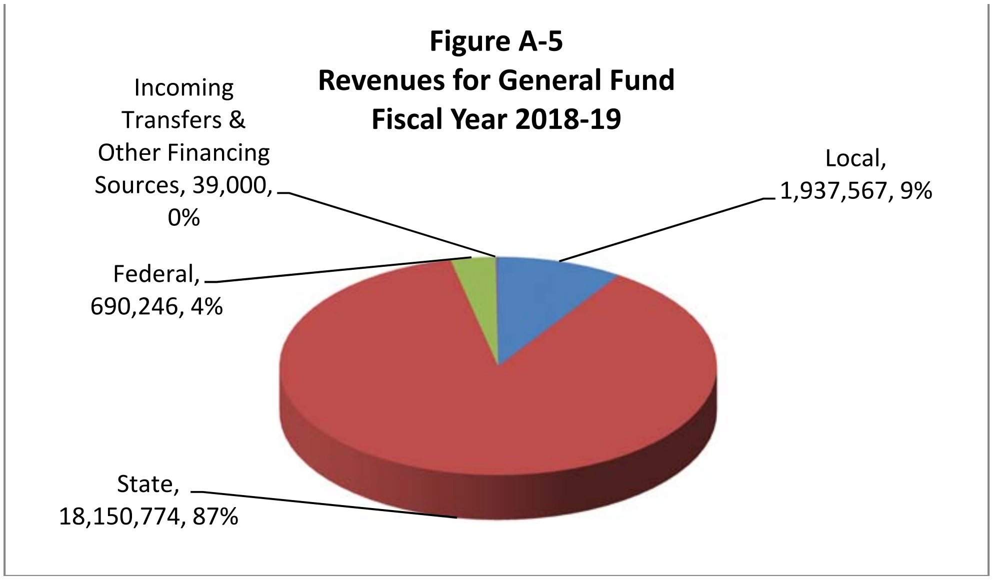
General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. When the budget is prepared each year, several unknown factors exist. Estimates are used for such major items as student count, employee contracts, state aid, staffing, utilities, and tax appeals. When compared in total, the variances between the initial budget, final budget and actual results are minimal considering all the unknowns that exist during initial budgeting. As a matter of practice, the district amends its budget periodically during the year. These revisions are made in order to deal with unexpected changes in revenues and expenditures. The following analysis describes the reasons for changes in the budget during the year and the differences in actual and budget figures.

Revenues

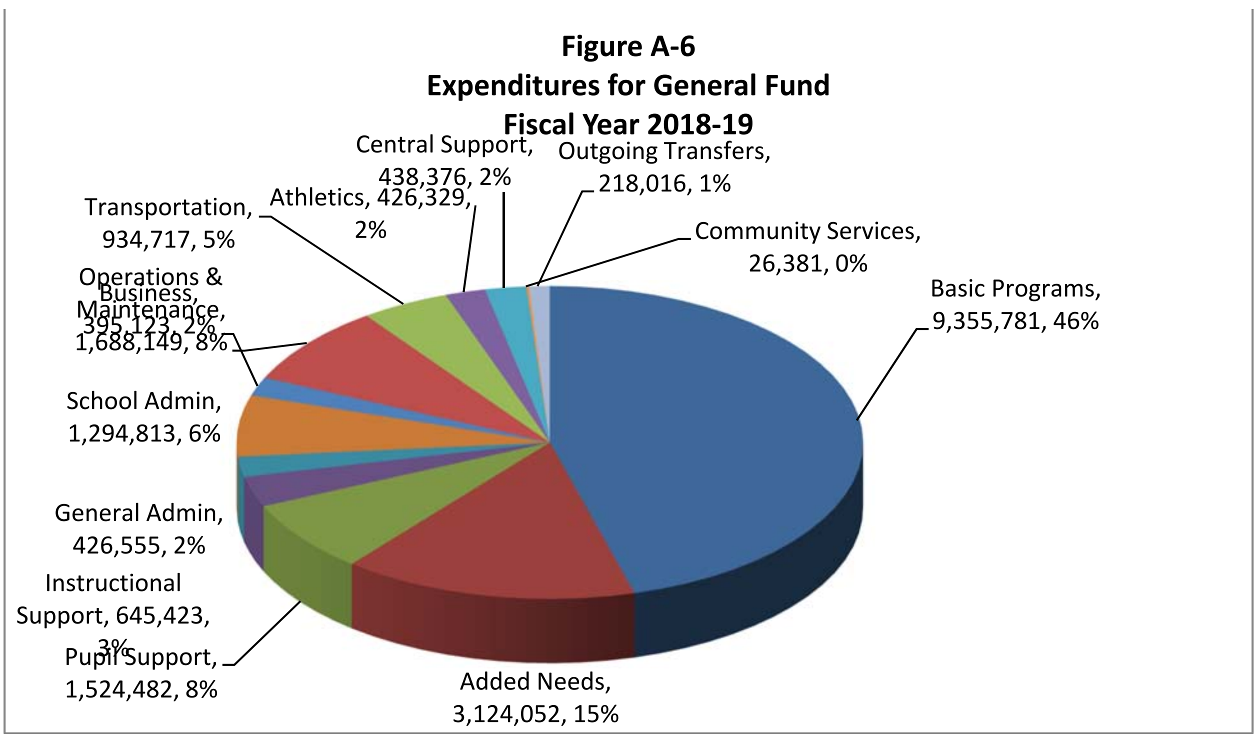
One of the changes impacting the District's budget is the revenue received from the State of Michigan as the per pupil foundation allowance. The foundation grant for the 2018-19 year was $7,871; an increase of $240 per student compared to the previous year.

A substantial portion (87%) of the district's General Fund revenues is received from state sources. This means that the financial stability of the district rests primarily with the economic health of the State of Michigan. Figure A-5 depicts the breakdown of the sources of revenue and other financing sources for the district's General Fund that totaled $20,817,587.



Expenditures

Figure A-6 reflects the breakdown by functional category of $20,498,181 in expenditures and other financing uses for the district's general fund for 2018-19. Direct classroom instruction was approximately $9.35 million. Support services includes library services, counselors, special education services, administration, clerical staff, maintenance/custodial staff, utilities, insurance, and transportation services. The remaining categories are self-explanatory.



The original budget called for an operating increase of $55,788, while the final amended budget called for an operating increase of $304,057.

Revenues

Original budget to final budget – Overall, there was an increase of $297,688 in the total General Fund revenue budget from the original budget to the final amendment.

- Special Education "Act 18" and Title Grants were the major factors resulting in the increase in budgeted revenues.

Final amendment to actual – Total revenues from the final amendment to actual had a difference of $52,704. Which equates to a 99.75% accuracy rating. There were no significant differences in revenue from the final amendment to year-end actual.

Expenditures

Original budget to final budget – Overall, there was a 0.2% change in total General Fund expenditures budget from the original budget to the final budget. Overall, expenditure budgets increased $49,419. Two significant "one-time" events occurred during the year.

- In order to align our Medical Coverage Plan Year with the calendar year, the net amount of medical insurance for two months' worth of medical insurance was not charged to fiscal year 2018-19. This applied only to the Oakridge Education Association members. This was strictly an accounting transaction that did benefit the district's finances by reducing the amount of insurance accrual.
- The General Fund transferred $203,000 in order to purchase a new multi-purpose playing field for our stadium to our Multi-Purpose Field Fund. These funds will be paid back to the general fund with gate receipts, advertisements and field rentals. We expect the General Fund to be made whole by Fiscal Year 2022.

Final amendment to actual – Total Expenditures from the Final Amendment to Actual produced an overall favorable variance of $68,053. There were no significant expenditure variances from the final amendment to actual expenses.

Factors Bearing on the District's Future

2019-20 District Budget

The original adopted budget for the 2019-20 fiscal year projects a deficit of $63,360

The district's foundation allowance for 2019-20 is set at $8,111 per full time pupil. The budget was developed with the anticipated enrollment of 2033 pupils.

The budget includes retirement costs at approximately 39.91% of payroll. This budget will be amended twice during the fiscal year to reflect updated foundation allowance information, actual student counts, changes to any legislation, and final staffing assignments.

The district has current contracts with two groups and is currently negotiating the Support Personnel Association's contract.

Requests for Information

This financial report is designed to provide the district's citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances, and to show how the District is accountable for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to Mr. Todd Hronek, Director of Finance, Oakridge Public Schools, 275 South Wolf Lake Road, Muskegon, MI 49442, telephone number (231) 788.7109.

Oakridge Public Schools
STATEMENT OF NET POSITION
June 30, 2019

	Governmental activities
ASSETS	
Current assets	
Cash and cash equivalents	$ 2,475,303
Investments	1,139,600
Receivables	42,546
Due from other governmental units	4,200,648
Inventories	14,240
Prepaid items	29,785
Total current assets	7,902,122
Noncurrent assets	
Capital assets, net	
Nondepreciable	105,000
Depreciable	19,937,529
Total noncurrent assets	20,042,529
Total assets	27,944,651
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	146,957
Related to other postemployment benefits	1,608,998
Related to pensions	11,308,951
Total deferred outflows of resources	13,064,906
Total assets and deferred outflows of resources	41,009,557
LIABILITIES	
Current liabilities	
State aid loans	1,900,000
Accounts payable and accrued liabilities	2,132,760
Due to other governmental units	495,249
Unearned revenue	228,893
Bonds and other obligations, due within one year	1,356,587
Total current liabilities	6,113,489
Noncurrent liabilities	
Bonds and other obligations, less amounts due within one year	14,811,406
Net other postemployment benefits liability	8,652,037
Net pension liability	32,678,538
Total noncurrent liabilities	56,141,981
Total liabilities	62,255,470
DEFERRED INFLOWS OF RESOURCES	
Related to other postemployment benefits	1,981,973
Related to pensions	3,793,074
Total deferred inflows of resources	5,775,047
Total liabilities and deferred inflows of resources	68,030,517
NET POSITION	
Net investment in capital assets	8,312,788
Restricted for debt service	5,564
Restricted for technology	164,680
Unrestricted	(35,503,992)
Total net position	**$ (27,020,960)**

The accompanying notes are an integral part of this statement.

Oakridge Public Schools
STATEMENT OF ACTIVITIES
For the year ended June 30, 2019

		Program Revenue		Net (Expense) Revenue and Changes in Net Position
Functions/Programs	**Expenses**	**Charges for services**	**Operating grants and contributions**	**Governmental activities**
Governmental activities				
Instruction	$ 13,816,475	$ 184,161	$ 3,285,618	$ (10,346,696)
Support services	7,935,342	195,525	1,004,880	(6,734,937)
Community services	28,309	-	5,000	(23,309)
Food services	1,058,588	38,983	1,128,158	108,553
Athletics	480,765	82,566	-	(398,199)
Interest on long-term debt	706,069	-	250,636	(455,433)
Unallocated depreciation and amortization	45,369	-	-	(45,369)
Total governmental activities	**$ 24,070,917**	**$ 501,235**	**$ 5,674,292**	(17,895,390)
General revenues				
Property taxes				2,324,211
Grants and contributions not restricted to specific programs				15,506,494
Investment earnings				16,163
Miscellaneous				7,775
Total general revenues				17,854,643
Change in net position				(40,747)
Net position at beginning of year				(26,980,213)
Net position at end of year				**$ (27,020,960)**

The accompanying notes are an integral part of this statement.

Oakridge Public Schools
BALANCE SHEET
Governmental Funds
June 30, 2019

	General Fund	Other governmental funds	Total governmental funds
ASSETS			
Cash and cash equivalents	$ 1,362,397	$ 1,112,906	$ 2,475,303
Investments	1,139,600	-	1,139,600
Receivables	42,546	-	42,546
Due from other governmental units	4,163,142	37,506	4,200,648
Inventories	-	14,240	14,240
Prepaid items	29,785	-	29,785
Total assets	**$ 6,737,470**	**$ 1,164,652**	**$ 7,902,122**
LIABILITIES			
State aid loans	$ 1,900,000	$ -	$ 1,900,000
Accounts payable	246,652	157,131	403,783
Accrued liabilities	1,634,491	-	1,634,491
Due to other governmental units	495,249	-	495,249
Unearned revenue	217,483	11,410	228,893
Total liabilities	4,493,875	168,541	4,662,416
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	8,740	-	8,740
FUND BALANCES			
Nonspendable			
Inventories	-	14,240	14,240
Prepaid items	29,785	-	29,785
Restricted			
Debt service	-	100,050	100,050
Technology	-	164,680	164,680
Food services	-	390,971	390,971
Committed for capital projects	-	326,170	326,170
Assigned to subsequent year's budget appropriations	63,360	-	63,360
Unassigned	2,141,710	-	2,141,710
Total fund balances	2,234,855	996,111	3,230,966
Total liabilities, deferred inflows and fund balances	**$ 6,737,470**	**$ 1,164,652**	**$ 7,902,122**

The accompanying notes are an integral part of this statement.

Oakridge Public Schools

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2019

Total fund balances—governmental funds		$ 3,230,966
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and are not reported in the governmental funds.		
Cost of capital assets	$ 31,535,576	
Accumulated depreciation	(11,493,047)	20,042,529
Deferred charges on refunding are not capitalized and amortized in the governmental funds.		
Deferred charges on refunding	238,807	
Accumulated amortization	(91,850)	146,957
Deferred inflows and outflows of resources related to pensions and other post employment benefits are not reported in the governmental funds.		
Deferred outflows of resources - related to other postemployment benefits	1,608,998	
Deferred inflows of resources - related to other postemployment benefits	(1,981,973)	
Deferred outflows of resources - related to pensions	11,308,951	
Deferred inflows of resources - related to pensions	(3,793,074)	7,142,902
Accrued interest in governmental activities is not reported in the governmental funds.		(94,486)
Other assets that are not available to pay for current period expenditures and are reported as unavailable revenue in the governmental funds.		8,740
Long-term obligations in governmental activities are not due and payable in the current period and are not reported in the governmental funds.		(57,498,568)
Net position of governmental activities		**$ (27,020,960)**

The accompanying notes are an integral part of this statement.

Oakridge Public Schools

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Governmental Funds

For the year ended June 30, 2019

	General Fund	Other governmental funds	Total governmental funds
REVENUES			
Local sources			
Property taxes	$ 927,468	$ 1,396,743	$ 2,324,211
Investment earnings	13,067	3,096	16,163
Fees and charges	442,479	58,756	501,235
Other	554,553	392,338	946,891
Total local sources	1,937,567	1,850,933	3,788,500
State sources	18,150,774	146,813	18,297,587
Federal sources	690,246	1,325,084	2,015,330
Total revenues	20,778,587	3,322,830	24,101,417
EXPENDITURES			
Current			
Instruction	12,479,833	-	12,479,833
Support services	7,773,951	274,047	8,047,998
Community services	26,381	-	26,381
Food services	-	1,040,608	1,040,608
Debt service			
Principal repayment	-	1,235,000	1,235,000
Interest and other charges	-	634,884	634,884
Total expenditures	20,280,165	3,184,539	23,464,704
Excess (deficiency) of revenues over (under) expenditures	498,422	138,291	636,713
OTHER FINANCING SOURCES (USES)			
Transfers in	39,000	218,016	257,016
Transfers out	(218,016)	(39,000)	(257,016)
Loan proceeds	-	93,837	93,837
Total other financing sources (uses)	(179,016)	272,853	93,837
Net change in fund balances	319,406	411,144	730,550
Fund balances at beginning of year	1,915,449	584,967	2,500,416
Fund balances at end of year	**$ 2,234,855**	**$ 996,111**	**$ 3,230,966**

The accompanying notes are an integral part of this statement.

Oakridge Public Schools

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2019

Net change in fund balances—total governmental funds		$ 730,550
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures; in the Statement of Activities these costs are depreciated over their estimated useful lives.		
Depreciation expense	$ (666,190)	
Capital outlay	113,474	(552,716)
Governmental funds report outflows for deferred charges on refunding as expenditures; in the Statement of Activities these costs are amortized over the bond period.		(18,370)
Debt proceeds are other financing sources in the governmental funds, but the proceeds increase long-term debt in the Statement of Net Position.		(226,314)
Revenue reported in the Statement of Activities that does not provide current financial resources are not reported as revenue in the governmental funds.		8,740
Repayment of principal on long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.		1,302,087
Interest expense on long-term obligations is recorded in the Statement of Activities when incurred, but is not reported in governmental funds until paid.		10,758
Compensated absences reported in the Statement of Activities do not require the use of current financial resources. They are reported as expenditures when financial resources are used in the governmental funds.		(2,647)
Some other postemployment benefit related expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		283,285
Some pension related expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(1,576,120)
Change in net position of governmental activities		**$ (40,747)**

The accompanying notes are an integral part of this statement.

Oakridge Public Schools

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

Fiduciary Funds

June 30, 2019

	Agency funds
ASSETS	
Cash and cash equivalents	**$ 209,674**
LIABILITIES	
Deposits held for others	**$ 209,674**

The accompanying notes are an integral part of this statement.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Oakridge Public Schools (School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

Reporting Entity
The School District is governed by an elected seven-member Board of Education (Board), which has responsibility and control over all activities related to public school education within the School District. The School District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities.

Generally accepted accounting principles require that if the School District is considered to be financially accountable for other organizations, those organizations should be included as component units in the School District’s financial statements. Since no organizations met this criterion, none are included in the financial statements.

Basis of Presentation—Government-wide and Fund Financial Statements
The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the School District. All fiduciary activities are reported only in the fund financial statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The fund financial statements provide information about the School District’s funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School District reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the School District, except those required to be accounted for in another fund.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Basis of Presentation—Government-wide and Fund Financial Statements—Continued
Additionally, the School District reports the following fund types:

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The School District accounts for its food services and technology activities in the school service special revenue funds.

The debt service funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The capital projects funds account for the financial resources to be used for the acquisition of fixed assets or construction of major capital projects.

The agency fund is custodial in nature and used to account for assets held by the School District as an agent for another organization or individual.

During the course of operations the School District has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Measurement Focus and Basis of Accounting
The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Measurement Focus and Basis of Accounting—Continued

Property taxes, state and federal aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The Foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the school districts. For the current fiscal year, the foundation allowance was based on pupil membership counts taken in October and February.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-PRE property taxes which may be levied at a rate of up to 18 mills. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as due from other governmental units.

The School District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received and accrued, which are not expended by the close of the fiscal year are recorded as unearned revenue.

All other revenue items are considered to be measurable and available only when cash is received by the government.

The agency fund has no measurement focus, but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Investments

The School District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the School District are reported at fair value (generally based on quoted market prices). 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 School District intends to hold the investment until maturity.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Cash and Investments—Continued

State statutes authorize the School District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, 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 Insurance 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 School District 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. The School District's deposits and investments are in accordance with statutory authority.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

As the School District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, and equipment, of the School District are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Years
Land improvements	10-20
Buildings and improvements	10-50
Equipment	5-20
Vehicles	8

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year in which they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Defined Benefit Plan

For purposes of measuring the net pension and net other postemployment benefits (OPEB) liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts of net position to report as restricted and unrestricted in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the School District’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

In the computation of net investment in capital assets, School Bond Loan Fund and School Loan Revolving Fund debt is not considered to be capital related debt.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Fund Balance Flow Assumptions
Sometimes the School District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies
Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can, by formal action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by formal action remains in place until a similar action is taken (another formal action) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as committed. The Board of Education has authorized the Director of Finance to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

Program Revenues
Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, unrestricted state aid, interest and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes
Property taxes levied by the School District are collected by various municipalities and periodically remitted to the School District. The taxes are levied as of December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due date is February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Revenues and Expenditures/Expenses—Continued

Compensated Absences
The liability for compensated absences reported in the government-wide statement consists of unpaid, accumulated sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

For fund financial statements, no compensated absence liability is reported for current employees and a compensated absence liability is reported for terminated employees only when the termination date is on or before year end.

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting
Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund and special revenue funds. All annual appropriations lapse at year end.

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to July 1, the budget is legally adopted by Board of Education resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the General Fund are noted in the required supplementary information section.

4. The Director of Finance is authorized to transfer budgeted amounts within major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

5. Formal budgetary integration is employed as a management control device during the year.

6. The budget is amended during the year with supplemental appropriations, the last one approved prior to June 30, 2019.

NOTE C—DEPOSITS AND INVESTMENTS

As of June 30, 2019, the School District had the following investments:

Investment Type	Fair value	Weighted average maturity (Days)	Standard & Poor's rating	Percent
Repurchase agreement - Government securities	$ 1,139,600	N/A	Not rated	100%

Interest rate risk
In accordance with its investment policy, the School District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in interest rates by using the following methods: segmented time distribution, specific identification, weighted average maturity, duration and simulation model.

Credit risk
State law limits investments in commercial paper and corporate bonds to the three highest classifications issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices.

Concentration of credit risk
In accordance with its investment policy, the School District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the School District 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. Investments in any one type of non-U.S. Treasury securities may be no more than 10 percent of the total current investment portfolio. There were no investment concentrations as of June 30, 2019.

Custodial credit risk - deposits
In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. As of June 30, 2019, $2,513,282 of the School District’s bank balance of $2,763,282 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

The School District 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 School District will do business.

NOTE C—DEPOSITS AND INVESTMENTS—Continued

Foreign currency risk
The School District is not authorized to invest in investments which have this type of risk.

Restricted investments
Restrictions are placed on assets by bond agreements. At June 30, 2019, the General Fund investments of $1,139,600 are in a set-a-side account and are restricted for payment of the outstanding state aid loans.

NOTE D—FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School has ability to access.

Level 2 Inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2019.

NOTE D—FAIR VALUE MEASUREMENTS—Continued

Repurchase Agreements: Valued at amortized cost which approximates fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the School believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the School's assets at fair value on a recurring basis as of June 30, 2019:

	Assets at Fair Value as of June 30, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Repurchase agreements	**$ -**	**$ 1,139,600**	**$ -**	**$ 1,139,600**

NOTE E—CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	**Additions**	**Deductions**	**Balance June 30, 2019**
Capital assets, not being depreciated:				
Land	$ 105,000	$ -	$ -	$ 105,000
Capital assets, being depreciated:				
Land improvements	1,322,446	-	-	1,322,446
Buildings and improvements	28,250,954	55,100	-	28,306,054
Equipment	1,318,480	7,374	-	1,325,854
Vehicles	481,822	51,000	56,600	476,222
Total capital assets, being depreciated	31,373,702	113,474	56,600	31,430,576
Less accumulated depreciation:				
Land improvements	1,163,728	36,992	-	1,200,720
Buildings and improvements	8,375,203	505,977	-	8,881,180
Equipment	968,593	80,337	-	1,048,930
Vehicles	375,933	42,884	56,600	362,217
Total accumulated depreciation	10,883,457	666,190	56,600	11,493,047
Total capital assets, being depreciated, net	20,490,245	(552,716)	-	19,937,529
Capital assets, net	**$ 20,595,245**	**$ (552,716)**	**$ -**	**$ 20,042,529**

Depreciation

Depreciation expense has been charged to functions as follows:

Instruction	$ 502,333
Support services	71,784
Food services	9,927
Athletics	36,777
Unallocated depreciation	45,369
	$ 666,190

NOTE F—INTERFUND TRANSFERS

The General Fund transferred $218,000 and $16 to the Building and Site Capital Projects Fund and Food Service Fund respectively, to finance operations, and the Food Service Fund transferred $39,000 to the General Fund to cover allowable indirect costs.

NOTE G—SHORT-TERM DEBT

The School District issues State of Michigan school aid anticipation notes to provide short-term operating funds. The notes are obligations of the General Fund, which received the note proceeds, and are backed by the full faith, credit and resources of the School District. In the event of default, the State of Michigan can withhold future state aid payments. The short-term debt activity for the year ended June 30, 2019 follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
State aid anticipation note				
2017/2018 1.27% due July 2018	$ 300,318	$ -	$ 300,318	$ -
2018/2019 1.75% due July 2019	-	1,400,000	-	1,400,000
2018/2019 2.5% due July 2019	-	500,000	-	500,000
	$ 300,318	**$ 1,900,000**	**$ 300,318**	**$ 1,900,000**

NOTE H—LONG-TERM OBLIGATIONS

The School District issues bonds, notes and other contractual commitments to provide for the acquisition, construction and improvement of major capital facilities and for the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District.

The following is a summary of long-term obligations activity for the School District for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due within one year
Governmental activities					
Bonds	$ 12,575,000	$ -	$ 1,235,000	$ 11,340,000	$ 1,275,000
Premium	603,785	-	67,087	536,698	67,087
Notes from direct borrowings and direct placements	3,954,194	226,314	-	4,180,508	-
Compensated absences	108,140	18,736	16,089	110,787	14,500
	$ 17,241,119	**$ 245,050**	**$ 1,318,176**	**$ 16,167,993**	**$ 1,356,587**

The governmental activities bonds are secured by future state aid and property tax revenues of the School District. If the School District defaults, the bonds are callable.

NOTE H—LONG-TERM OBLIGATIONS—Continued

The governmental activities notes from direct borrowings and direct placements are comprised of obligations to the State of Michigan under the School Bond Loan Fund and School Loan Revolving Fund which are secured by future state aid and property tax revenues of the School District. In the event of default, the State of Michigan can withhold future state aid payments.

In the previous schedule, the addition for notes from direct borrowings and direct placements represent \$56,535 of accrued interest on the School Bond Loan Fund and \$75,942 of accrued interest and \$93,837 of additional draws on the School Loan Revolving Fund.

General obligation bonds and notes from direct borrowings and direct placements consist of the following:

	Interest Rate	Date of Maturity	Balance
Governmental activities:			
Bonds			
2015 Refunding General Obligation Bond	3-5%	May 2028	$ 6,985,000
2011 General Obligation Bond	5.5-6.75%	May 2026	4,355,000
			$ 11,340,000
Notes from direct borrowings and direct placements			
School Bond Loan Fund	3.44%	May 2034	$ 1,762,575
School Loan Revolving Fund	3.44%	May 2034	2,417,933
			$ 4,180,508

The annual requirements of principal and interest to amortize the bonds and notes from direct borrowings and direct placements outstanding as of June 30, 2019 follow:

Year ending June 30,	Bonds Principal	Bonds Interest	Notes from Direct Borrowings and Direct placements Principal	Notes from Direct Borrowings and Direct placements Interest
2020	$ 1,275,000	$ 566,918	$ -	$ -
2021	1,315,000	498,608	-	-
2022	1,360,000	424,825	-	-
2023	1,395,000	348,658	-	-
2024	1,435,000	286,038	-	-
2025-2029	4,560,000	391,901	-	-
2030-2034	-	-	4,180,508	2,158,478
	$ 11,340,000	**$ 2,516,948**	**$ 4,180,508**	**$ 2,158,478**

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

Benefits Provided – Pension

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected (Basic, Member Investment Plan (MIP), Pension Plus, Pension Plus 2), member retirement benefits for DB plan members are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System who became a member after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4 percent of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50 percent (up to 1 percent of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

Pension Reform 2012

On September 4, 2012, the Governor signed Public Act 300 of 2012 into law. The legislation grants all active members who first became a member before July 1, 2010 and who earned service credit in the 12 months ending September 3, 2012, or were on an approved professional service or military leave of absence on September 3, 2012, a voluntary election regarding their pension. Any changes to a member's pension are effective as of the member's *transition date*, which is defined as the first day of the pay period that begins on or after February 1, 2013. Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

Employees who first work on or after September 4, 2012, choose between two retirement plans: the Pension Plus plan described above and a DC plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions. New employees are automatically enrolled as members in the Pension Plus plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus plan and become a qualified participant in the DC plan; if no election is made they will remain in the Pension Plus plan. If they elect to opt out of the Pension Plus plan, their participation in the DC plan will be retroactive to their date of hire.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Pension Reform 2012—Continued

Employees in the Pension Plus and DC plans are immediately vested in their own contributions and earnings on those contributions. The employee becomes vested in the employer match contribution at the following rates: 50 percent after two years of service, 75 percent after three years of service, and 100 percent after four years of service. Non-vested contributions are forfeited upon termination of employment. Forfeitures during a plan year are credited to a forfeitures account. Forfeitures are first applied to restore any forfeited amounts that are required to be restored. The remaining amounts in the forfeitures account may be maintained in reserve, used to cover a portion of the plan's administrative expenses or offset future employer contributions, as determined by the plan administrator.

Pension Reform 2017

On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closes the current hybrid plan (Pension Plus) to newly hired employees as of February 1, 2018 and creates a new optional revised hybrid plan (Pension Plus 2) with similar plan benefit calculations but containing a 50/50 cost share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the new hybrid plan is 6 percent. Further, the law provides that, under certain conditions, the new hybrid plan would close to new employees if the actuarial funded ratio falls below 85 percent for two consecutive years. The law includes other provisions to the retirement eligibility age, plan assumptions, and unfunded liability payment methods.

Regular Retirement

The pension benefit for DB and Pension Plus plan members is based on a member's years of credited service (employment) and final average compensation (FAC). The FAC is calculated based on the member's highest total wages earned during a specific period of consecutive calendar months divided by the service credit accrued during that same time period. For a Member Investment Plan member, who became a member of MPSERS prior to July 1, 2010, the averaging period is 36 consecutive months. For a Pension Plus member, who became a member of MPSERS after June 30, 2010, the averaging period is 60 consecutive months. For a Basic Plan member, this period is the 60 consecutive months yielding the highest total wages. The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012.

Post-Retirement Adjustments

A retiree who became a Member Investment Plan member prior to July 1, 2010, receives an annual post-retirement non-compounded increase of three percent of the initial pension in the October following twelve months of retirement. Basic Plan members do not receive an annual post-retirement increase, but are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions. Pension Plus members do not receive an annual post-retirement increase.

Plan Status

The Basic, MIP, and Pension Plus plans are closed to new entrants. The Pension Plus 2 plan and the DC plan are still open to new entrants.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Benefits Provided – OPEB

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80 percent beginning January 1, 2013; 90 percent for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3 percent contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2 percent employee contribution into their 457 account as of their transition date, earning them a 2 percent employer match into a 401(k) account. Members who selected this option stop paying the 3 percent contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

Contributions – Pension and OPEB

School Districts are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2017 valuation will be amortized over a 21-year period for the 2018 fiscal year.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Contributions – Pension and OPEB—Continued
The schedules below summarize the contribution rates in effect for the System's fiscal year ended September 30, 2018.

Pension Contribution Rates

Benefit Structure	Member	Employer
Basic	0.0 - 4.0 %	17.89 %
Member Investment Plan	3.0 - 7.0	17.89
Pension Plus Plan	3.0 - 6.4	16.61
Pension Plus 2 Plan	3.0 - 6.4	19.74
Defined Contribution	0.0	13.54

OPEB Contribution Rates

Benefit Structure	Member	Employer
Premium Subsidy	3.0 %	6.44 %
Personal Healthcare Fund	0.0	6.13

The School District's pension contributions for the year ended June 30, 2019 were equal to the required contribution total. Pension contributions were approximately $2,865,000 including Section 147c contributions.

For the year ended June 30, 2019, the School District and employee defined contribution plan contributions were approximately $106,000 and $148,000, respectively.

The School District's OPEB contributions for the year ended June 30, 2019 were equal to the required contribution total. OPEB contributions were approximately $733,000.

Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
At June 30, 2019, the School District reported a liability of $32,678,538 for its proportionate share of the net pension liability and a liability of $8,652,037 for its proportionate share of the net OPEB liability.

The net pension and OPEB liabilities were measured as of September 30, 2018, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities were determined by an actuarial valuation rolled forward from September 30, 2017. The School District's proportion of the net pension and OPEB liabilities was determined by dividing each employer's statutorily required pension and OPEB contributions to the system during the measurement period by the percent of pension and OPEB contributions, respectively, required for all applicable employers during the measurement period. At September 30, 2018 and 2017, the School District's pension proportion was 0.10870 and 0.10840 percent, respectively. At September 30, 2018 and 2017, the School District's OPEB proportion was 0.10885 and 0.10818 percent, respectively.

For the year ended June 30, 2019, the School District recognized pension expense of $4,513,366 and OPEB expense of $423,728.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources—Continued

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Pension		OPEB	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 151,635	$ 237,469	$ -	$ 1,610,366
Changes of assumptions	7,568,323	-	916,255	-
Net difference between projected and actual earnings on plan investments	-	2,234,381	-	332,518
Changes in proportion and differences between School District contributions and proportionate share of contributions	931,926	117,990	49,792	39,089
State of Michigan Section 147c UAAL rate stabilization state aid payments subsequent to the measurement date	-	1,203,234	-	-
School District contributions subsequent to the measurement date	2,657,067	-	642,951	-
Total	**$ 11,308,951**	**$ 3,793,074**	**$ 1,608,998**	**$ 1,981,973**

The School District contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions and OPEB, in the chart above, will be recognized as a reduction of the net pension liability and the net OPEB liability, respectively, in the year ended June 30, 2020. The State of Michigan Section 147c UAAL rate stabilization state aid payments subsequent to the measurement date reported as deferred inflows of resources will be recognized as revenue in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in expense as follows:

Year ending June 30,	**Pension**	**OPEB**
2020	$ 2,547,557	$ (252,150)
2021	1,892,372	(252,150)
2022	1,181,266	(252,150)
2023	440,849	(182,271)
2024	-	(77,205)

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Actuarial assumptions

Valuation Assumptions

Investment rate of return –	7.05% a year for the MIP and Basic plans 7% a year for the Pension Plus plan 6% a year for the Pension Plus 2 plan 7.15% a year for OPEB
Salary increases –	2.75%-11.55%
Inflation –	2.75%
Cost-of-living pension adjustments –	3% annual non-compounded for MIP members
Healthcare cost trend rate –	7.5% Year 1 graded to 3.0% Year 12

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Mortality Assumptions

The healthy life post-retirement mortality tables used in this valuation of the System were the RP-2014 Male and Female Healthy Annuitant Mortality Tables, adjusted for mortality improvements using projection scale MP-2017 from 2006.

Experience Study

The annual actuarial valuation report of the System used for these statements is dated September 30, 2017. Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Long-Term Expected Rate of Return on Investments

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	28.0 %	5.7 %
Private Equity Pools	18.0	9.2
International Equity Pools	16.0	7.2
Fixed Income Pools	10.5	0.5
Real Estate and Infrastructure Pools	10.0	3.9
Absolute Return Pools	15.5	5.2
Short Term Investment Pools	2.0	0.0
Total	**100.0** %	

*Long term rates of return are net of administrative expenses and 2.3% inflation.

Discount rate

In the current year, the discount rates used to measure the total pension and OPEB liabilities were 7.05 percent (7 percent for the Pension Plus plan and 6 percent for the Pension Plus 2 plan), and 7.15 percent, respectively. The discount rates used to measure the total pension and OPEB liability as of June 30, 2018 were 7.5 percent (7 percent for the Pension Plus Plans). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension and OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent (7 percent for Pension Plus plan and 6 percent for the Pension Plus 2 plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

1 % Lower (6.05% / 6.0% / 5.0%)	Discount Rate (7.05% / 7.0% / 6.0%)	1 % Higher (8.05% / 8.0% / 7.0%)
$ 42,904,397	$ 32,678,538	$ 24,182,512

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 7.15 percent, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

1 % Lower (6.15%)	Discount Rate (7.15%)	1 % Higher (8.15%)
$ 10,386,595	$ 8,652,037	$ 7,193,063

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate

The following presents the School District's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher:

1% Lower	Current Healthcare Cost Trend Rate	1% Higher
$ 7,116,205	$ 8,652,037	$ 10,413,950

Pension and OPEB Plans Fiduciary Net Position

Detailed information about the pension and OPEB plans' fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System Comprehensive Annual Financial Report available at www.michigan.gov/orsschools.

Payable to the pension and OPEB plan

At year end the School District is current on all required pension and OPEB payments. Accruals for July and August deferred payroll and for July and August Section 147c amounts are not considered payables for this purpose.

NOTE J COMMITENTS AND CONTINGENCIES

Commitments

- **Construction contracts –** As of June 30, 2019, the School District had awarded construction contracts totaling approximately $308,000.

- **Operating Leases -** The School District has lease agreements expiring at various dates through September 2020. Expense for the year ended June 30, 2019 was approximately $379,000. The following is a schedule of future minimum rental payments required under operating leases for School District buses.

Year ending June 30,	Amount
2020	$ 313,564
2021	308,000
	$ 621,564

NOTE J—COMMITENTS AND CONTINGENCIES—Continued

Litigation
The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School District's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the School District.

Grant Programs
The School District participates in grant programs, which are subject to program compliance audits by the grantor or its representatives. Such audits of these programs may be performed at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

NOTE K—TAX ABATEMENTS

The School District receives reduced property tax revenues as a result of Industrial Facilities Tax (IFT) exemptions, Brownfield Redevelopment Agreements (BRA), and Payments in Lieu of Taxes (PILOT) granted by cities, villages and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield Redevelopment Agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties; PILOT programs apply to multiple unit housing for citizens of low income and the elderly. The property taxes abated for all fund types by municipality under these programs are as follows:

Municipality	Abatement Type	Taxes Abated
Egelston	IFT	$ 78,117

The tax abatements that reduce the general fund operating tax levy are considered by the State of Michigan when calculating the School District's state aid—section 22 of the State School Aid Act.

There are no significant abatements made by the School District.

NOTE L—OTHER INFORMATION

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The School District participates in two distinct pools of educational institutions within the State of Michigan for self-insuring property and casualty and workers' disability compensation. The pools are considered public entity risk pools. The School District pays annual premiums under a retrospectively rated policy to the pools for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The workers' compensation pool and the property casualty pool maintain reinsurance for claims generally in excess of $500,000 for each occurrence with the overall maximum coverage varying depending on the specific type coverage of reinsurance.

The School District continues to carry commercial insurance for other risks of loss, including employee health and accident insurance. No settlements have occurred in excess of coverage for June 30, 2019 or any of the prior three years.

NOTE M—SUBSEQUENT EVENTS

In August 2019, the School District received the proceeds of $1,200,000 and $500,000 State of Michigan (State) school aid anticipation notes payable. The notes payable are not subject to redemption prior to its maturity in August 2020 and each bears interest at the rate of 1.3 percent per annum. The School District pledged for payment of the notes payable, the amount of state school aid to be received plus the full faith, credit, and resources of the School District.

In October 2019, the School District issued $2,650,000 of School Energy Improvement Bonds. The interest rates range from 2.25 – 2.5 percent and interest is paid semi-annually. Annual principal payments due through May 2035.

NOTE N—UPCOMING ACCOUNTING PRONOUNCEMENTS

GASB Statement 84—*Fiduciary Activities* was issued by the GASB in January 2017 and will be effective for the School District's 2020 fiscal year. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities for all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements.

GASB Statement 87—*Leases* was issued by the GASB in June 2017 and will be effective for the School District's 2021 fiscal year. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases 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 an 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.

REQUIRED SUPPLEMENTARY INFORMATION

Oakridge Public Schools
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule
General Fund
For the year ended June 30, 2019

	Budgeted amounts			Variance with final budget-positive (negative)
	Original	Final	Actual	
REVENUES				
Local sources	$ 1,717,950	$ 1,923,770	$ 1,937,567	$ 13,797
State sources	18,167,847	18,155,311	18,150,774	(4,537)
Federal sources	647,806	752,210	690,246	(61,964)
Incoming transfers and other transactions	39,000	39,000	39,000	-
Total revenues	20,572,603	20,870,291	20,817,587	(52,704)
EXPENDITURES				
Instruction				
Basic programs	9,894,058	9,464,444	9,355,781	108,663
Added needs	2,893,997	3,037,658	3,124,052	(86,394)
Support services				
Pupil	1,382,755	1,517,221	1,524,482	(7,261)
Instructional staff	585,735	657,432	645,423	12,009
General administration	439,991	428,168	426,555	1,613
School administration	1,387,337	1,295,479	1,294,813	666
Business	376,086	361,039	395,123	(34,084)
Operations and maintenance	1,703,532	1,733,987	1,688,133	45,854
Pupil transportation services	954,352	950,065	934,717	15,348
Athletics	432,596	444,070	426,329	17,741
Central	432,768	430,803	438,376	(7,573)
Community services	31,101	32,353	26,381	5,972
Outgoing transfers and other transactions	2,507	213,515	218,016	(4,501)
Total expenditures	20,516,815	20,566,234	20,498,181	68,053
Excess of revenues over expenditures	**$ 55,788**	**$ 304,057**	319,406	**$ 15,349**
Fund balance at beginning of year			1,915,449	
Fund balance at end of year			**$ 2,234,855**	

Oakridge Public Schools

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the School District's Proportionate Share of the Net Pension Liability

Michigan Public School Employees Retirement System

Last 10 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
School District's proportion of the net pension liability (%)	0.10870%	0.10840%	0.10482%	0.10034%	0.09971%	-	-	-	-	-
School District's proportionate share of the net pension liability	$32,678,538	$28,090,102	$26,152,678	$24,507,864	$21,961,893	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 9,226,441	$ 9,129,096	$ 9,017,287	$ 8,350,709	$ 8,467,524	$ -	$ -	$ -	$ -	$ -
School District's proportionate share of the net pension liability as a percentage of its covered payroll	354.18%	307.70%	290.03%	293.48%	259.37%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	62.36%	64.21%	63.27%	63.17%	66.20%	-	-	-	-	-

Note: For years prior to 2015 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Oakridge Public Schools

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of School District's Pension Contributions

Michigan Public School Employees Retirement System

Last 10 Fiscal Years (Amounts were determined as of 6/30 of each year)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Statutorily required contributions	$ 1,661,482	$ 1,628,662	$ 1,718,619	$ 1,881,901	$ 2,070,244	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the statutorily required contributions	1,661,482	1,628,662	1,718,619	1,881,901	2,070,244	-	-	-	-	-
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
School District's covered payroll	$ 9,401,071	$ 9,242,268	$ 9,054,723	$ 8,594,135	$ 8,341,904	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	17.67%	17.62%	18.98%	21.90%	24.82%	-	-	-	-	-

Note: For years prior to 2015 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Oakridge Public Schools
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of School District's Proportionate Share of the Net OPEB Liability
Michigan Public School Employees Retirement System
Last 10 Fiscal Years (Amounts were determined as of 9/30 of each year)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
School District's proportion of the net OPEB liability (%)	0.10885%	0.10818%	-	-	-	-	-	-	-	-
School District's proportionate share of the net OPEB liability	$ 8,652,037	$ 9,580,108	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 9,226,441	$ 9,129,096	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	93.77%	104.94%	-	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	42.95%	36.39%	-	-	-	-	-	-	-	-

Note: For years prior to 2018 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Oakridge Public Schools

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of School District's OPEB Contributions

Michigan Public School Employees Retirement System

Last 10 Fiscal Years (Amounts were determined as of 6/30 of each year)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Statutorily required contributions	$ 733,312	$ 681,550	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the statutorily required contributions	733,312	681,550	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
School District's covered payroll	$ 9,401,071	$ 9,242,268	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	7.80%	7.37%	-	-	-	-	-	-	-	-

Note: For years prior to 2018 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Changes of benefit terms: There were no changes of benefit terms in 2019.

Changes of assumptions: There were no changes of benefit assumptions in 2019.