



Annual Comprehensive Financial Report

for the fiscal year ended June 30, 2023

Waterford, Michigan



Annual Comprehensive Financial Report

Oakland Schools

**2111 Pontiac Lake Road
Waterford, MI 48328**

**For the Fiscal Year Ended
June 30, 2023**

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October 17, 2023

To the Citizens of Oakland County
and the Board Members of Oakland Schools

State law requires that every school district and intermediate school district publish a complete set of audited financial statements by November 1 each year. The Annual Comprehensive Financial Report (ACFR) of Oakland Schools (an intermediate school district) for the fiscal year ended June 30, 2023 is hereby submitted to fulfill that requirement. The Oakland Schools Department of Financial Services prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with Oakland Schools (the “District”). To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various District funds. All disclosures necessary to enable the reader to gain a thorough understanding of the District’s financial activities have been included.

The ACFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, a listing of the elected and top administrative officials of the District, the District’s ASBO Certificate of Excellence in Financial Reporting for the Fiscal Year Ended June 30, 2022 and the District’s administrative organizational chart. The financial section includes the independent auditor’s report, management’s discussion and analysis (MD&A), basic financial statements, required supplementary information, and other supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The basis for preparing the ACFR for the District was first to identify the financial reporting entity exclusive of any potential component units. Potential component units were evaluated to determine whether they should be reported in the District’s ACFR. A component unit is considered to be part of the District’s reporting entity if it meets the criteria as outlined by the Governmental Accounting Standards Board (GASB) in Statement No. 14, *The Financial Reporting Entity*, and as amended by GASB Statements 39 and 61. The ACFR includes all District funds and account groups that are controlled or dependent upon the District’s Board of Education. There are no component units included in the District’s ACFR, and Oakland Schools is not included in any other governmental “reporting entity.”

The District

Oakland Schools is one of 56 intermediate school districts (ISDs) established in Michigan in 1962. ISDs are regional service agencies that offer support services to local school district personnel that are best delivered regionally, as measured by cost, size and quality advantages. Oakland Schools is an autonomous, tax-supported public school district governed by Michigan General School laws. The District serves 28 local school districts and 23 public school academies, each independently funded, with a countywide

enrollment of approximately 180,000 students. Enrollment decreased by .7%, or 1,210 full time equivalents between 2021-22 and 2022-23. Countywide, student enrollment had been declining since 2007, primarily due to the economic environment in the state of Michigan causing families to move out of state and lower birth rates in the county. Between 2020-2030, the population for ages 5-17 is projected to decrease by 7.8% according to the Southeast Michigan Council of Governments and will then increase over the subsequent ten-year period. This will have a corresponding impact on projected school district enrollment. Enrollment does not impact the financial resources of Oakland Schools however, as our primary revenue source is property taxes, and the District does not receive a per pupil foundation allowance nor any per pupil funding.

The District's Board of Education members are elected by local school boards and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. The Board of Education is responsible for the selection and appointment of the superintendent, as well as setting policy, developing long-range educational goals, adopting and amending operating budgets, and evaluating school programs.

Oakland Schools operated and housed staff in seven locations in 2022-23, three of which are owned and four of which are leased. Our locations housing staff consist of the main Administration Building, Summit building (Production Print, Special Education), and White Oaks building (Medicaid, Special Programs) in Waterford, Michigan; and four technical campuses in each of the quadrants of the county: Northwest Campus in Clarkston, Michigan, Southwest Campus in Wixom, Michigan, Northeast Campus in Pontiac, Michigan and Southeast Campus in Royal Oak, Michigan. The four technical campuses provide a countywide career focused education learning system to approximately 2,400 students from all 28 constituent districts. The condition of all Oakland Schools' facilities is excellent. All owned facilities are routinely evaluated and renovated or updated to ensure they are structurally sound and are state-of-the-art facilities. The District maintains a 5-year capital plan which is updated annually to prepare for necessary improvements and upgrades to facilities and equipment. The District pre-funds at least three years, and up to five years, of the capital plan requirements. This planning process ensures Oakland Schools maintains adequate funding and can meet our capital needs.

Economic Condition and Outlook

Oakland Schools and the school districts we support are primarily located in Oakland County, which covers approximately 910 square miles. Despite recent years of economic turmoil with the Great Recession in 2009 and more recently with the COVID-19 pandemic ("the pandemic") that has plagued Southeast Michigan, along with the rest of the nation, Oakland County has remained one of the most prosperous counties in the country. More important, it has the necessary assets to remain a prosperous and welcoming county in the future. Oakland County remains one of the most prominent local economies in the nation, with some of the most promising longer-term prospects. The County's knowledge-based economic activity is among the most concentrated in the country and the percentage of the population holding an associate's degree or better well exceeds the national average, which are two good indicators of future economic prosperity.

The County is especially noteworthy for its share of residents employed in professional and managerial occupations, which bodes well for future growth opportunities in higher paid activities. Oakland County's assets provide opportunities to continue diversifying its economy into areas with longer-term growth potential. While the overall job growth forecast is favorable, economists predict it will be strongest in blue-collar industries. This is partially due to higher-wage industries losing few jobs during the pandemic, but their recovery has been less robust. Job recovery by the end of 2024 is expected to exceed pre-pandemic levels by 5.1% and 2.1% in blue-collar and higher-education service jobs, respectively. The unemployment rate was 3.1% as of June 30, 2023, compared to a nationwide average of 3.6%. Oakland County's affluent, well-educated community has been, and will continue to be, its own best resource for maintaining a thriving economy. For more information about Oakland County's economic engine, please visit either www.oakgov.com or www.automationalley.com.

School Finance

Oakland Schools is allocated one-fourth mill (0.25 mill) for general operating purposes from the millage allocation authorized in each Michigan county, in accordance with the State of Michigan constitution. Under the terms of the Tax Limitation Amendment of 1978, this millage has been “rolled back” to reflect growth of property valuation above the inflation rate. For the fiscal year ended June 30, 2023, the District’s General Education Fund operating levy was .1881 mills. The District is not experiencing a rollback for fiscal year 2024, for the first time in nine years, and will therefore levy .1881 mills therein.

The District is legally permitted to seek voter approval to fund special education and vocational education programs. The voters had authorized special education tax levies totaling one and three-fourths mills (1.75 mills) and a vocational education tax of one-half mill (0.50 mills), all of which have been “rolled back” under the terms of the Tax Limitation Amendment of 1978. On September 25, 2001, the voters authorized an additional tax levy for both special education (1.1704 mills) and vocational education (0.2279 mills). The District’s special education and vocational education total levies for the fiscal year ended June 30, 2023 were 2.3925 mills and .5852 mills, respectively, after application of millage roll- back rules. These millage rates will be continued in fiscal year 2024.

The taxable valuations for Oakland County properties during the Great Recession suffered a cumulative loss in value of 24.5%. Fourteen years later, taxable values have finally reached pre-recession levels, however the cumulative impact of losses over those years totaled almost \$439 million.

Nearly 76% of the tax revenues collected are the Special Education property tax which flows through to school districts in Oakland County. The prior years’ decline in the District’s tax base is reflective of the state’s economic challenges and the nation’s ongoing commercial and residential real estate market retrenchment. Taxable values of Oakland County properties increased by 6.4% and 7.5% in tax years 2022 and 2023, respectively and estimates showed future increases of 4.0% annually for 2024 and 2025 and 3.5% for 2026 and 2027. Due to Proposal A however, the District’s tax levy increase is limited to the rate of inflation and the full amount of taxable value increase is not expected to be realized. Oakland Schools continues to monitor the economic environment for indications of another recession and the impact that the pandemic may have on property tax revenue estimates.

Oakland Schools continues to monitor ongoing Michigan Tax Tribunal (MTT) judgments. There was a significant backlog of cases that arose during the recession that took several years to complete. Not all MTT judgments result in a reduction in taxable value for the plaintiff, although a good number of them do. These judgments often result in a refund of previously collected property taxes that the County must provide to the plaintiff(s), and the County passes these costs onto the respective municipalities and school districts, such as Oakland Schools. At the time of this publication, Oakland Schools is using the same information that Oakland County Government has developed for determining the liability exposure to MTT appeals. As a result, we have determined that a reserve of \$0.4 million is appropriate to address successful property tax appeals through the school fiscal year ending June 30, 2024.

Major Initiatives

Purpose

Our statement of purpose as of June 30, 2023 and as adopted by our Board of Education is:

“EVERY STUDENT. EVERY DAY.”

Our beliefs, as adopted by our Board of Education are:

- It’s about service.
- Students form the lens through which our best educational decisions are made.

- All students can and will learn.
- Collaboration builds understanding.
- Education is a shared responsibility.
- Our success depends upon our employees.
- Change is opportunity.
- Lifelong learning is a key to lifelong success.
- Effective relationships are powerful.
- Differences expand our thinking.
- Visionary leadership creates a dynamic environment.
- We must develop leaders for tomorrow.
- Ethical behavior is everyone's responsibility.

To support our mission and beliefs, the Board of Education has formally adopted and maintains a continuous improvement plan for Oakland Schools. As of June 30, 2023, the goals of the continuous improvement plan are:

1. Equity
2. Well-Being
3. Excellence
4. Operations

Oakland Schools strives to promote equity and excellence in education throughout the District. We do this through quality service and leadership. We explore, experiment, and model ideas to improve education and enhance teaching skills through discovery and practice. We understand that our role as an Intermediate School District is to support student achievement in our constituent districts. We meet this responsibility through our professional and curricular development programs, development and implementation of regional best practices and operating efficiencies, and our monitoring and compliance activities.

Examples of current programs, initiatives, and support systems that serve our constituent school districts follow:

Consortium Pricing

Oakland Schools supports our constituent districts by evaluating resources, tools and providers for various local district needs. We negotiate with providers to seek discounted consortium pricing, saving districts over \$1 million annually in product pricing and implementation support. Current examples of educator tools procured on behalf of constituent districts include the Atlas Curriculum Mapping System, Illuminate DnA, Discovery Streaming, Xello career cruising, the Nepri vocational education industry connections platform, and STAMP proficiency assessment for world language test-out. The products are all offered either at a full or partial subsidy to districts.

Literacy Essentials Oakland (LEO)

The Literacy Essentials Oakland (LEO 2.0) Project is centered on ensuring early literacy success for children in Oakland County. This five-year project was launched during the 2019-20 school year, and was redesigned in 2022 with the following criteria in mind:

- Deeply rooted in research
- Builds capacity in local districts
- Tailored to needs of local districts
- Focus on job-embedded professional learning.

In 2022-23, the LEO team continued to work with our countywide coaching network and district literacy leadership teams to build capacity for early literacy success.

Social-Emotional Wellbeing and Mental Health Support

Oakland Schools has a number of programs and services to attend to the social and emotional development of young people. We have partnered with local mental health providers to take steps to ensure mental health services are available to students and are involved in multiple initiatives to ensure this happens in an approachable and sensitive manner. Oakland Schools has partnered with the National Association of School Psychologists to provide PREPaRE (Prevent Reaffirm Evaluate Provide and Respond Examine) training to our constituent districts. In addition, five of our staff members are now certified PREPaRE trainers. The team of PREPaRE trainers review and improve comprehensive school safety planning with our districts and prepare staff for the skills of intervention and recovery. All individuals who received PREPaRE training gained a better understanding of the organization and function of a comprehensive safety and crisis team and/or the knowledge and skills necessary to meet the mental health needs of students and staff in the aftermath of a crisis. Professional learning and support continue to be offered to districts on a regular basis. Our mental health team is responsible for the oversight and provision of intensive mental health and complex behavior support, school-wide school safety and crisis preparedness/response initiatives (PREPaRE, BTAM, Suicide Assessment, Life Space Crisis Intervention, and Non-Violent Crisis Intervention).

Oakland Schools Homeless Student Education Services

Our Homeless Student Education Services Consultant works with each local district to train a homeless liaison to identify and serve homeless students across Oakland County to comply with the federal McKinney-Vento Law. This service assures that homeless students receive coordination to remove barriers to attend school despite being without permanent housing. Ongoing liaison meetings and a newly formed coalition with Wayne RESA help to make certain staff are trained and ready to support the thousands of homeless students across the County. Oakland Schools' support also includes extensive professional development and dispute resolution to districts and coordination of ESSA direction.

Oakland County Foster Care Student Services

Oakland Schools provides leadership to local districts and to the community with regard to the coordination of students who are involved in the foster care system. Changing ESSA guidelines make it necessary to ensure districts remain in compliance with expectations to assure that these high-risk students are aligned to supports and services at the district, county, and state level. Quarterly foster care district liaison meetings ensure up to date information flows to the local districts.

Oakland Schools Educational Planning Services

Students leaving the Oakland County Children's Village receive coordinating services from this unit to help assure their transition back into school is as seamless and positive as possible, while best positioning students for academic and social stability. Beginning from the time each student is placed in Children's Village, an individual plan with the school, the family and the student is created to assure students are attending the least restrictive, most supportive educational setting possible.

Collaborative Program Development Initiative (CPDI)

The purpose of the CPDI project is to enhance the academic achievement of Oakland ISD students by supporting collaborative instructional programs that can potentially serve students in all Oakland ISD constituent school districts. The program also provides "seed funding" for new and innovative initiatives, programs and ideas among our constituent local districts. CPDI funds have been used to support start-up of the Virtual Learning Academy Consortium, the Oakland Accelerated College Experience and also partially subsidized the expense of moving toward a countywide HR/Finance software system that will help reduce costs to our partnering local school districts for the first five years that each of them implements the new system. Most recently, CPDI funds have been used for the startup and implementation costs of a new applicant tracking system for the Oakland Human Resources Consortium, the Better with Breakfast countywide program and for Literacy Essentials Oakland (LEO).

Shared Services

Oakland Schools works with several districts in Oakland County providing non-instructional services on a cost recovery basis. Collaborative efforts include the following:

- Oakland Schools provides various business office services ranging from full service to individual staff services (e.g., payroll, accounts payable, controller) for four districts through intergovernmental agreements that expire at various times through June 2026.
- Oakland Schools' technology services department provides a full range of onsite and centrally managed technology services to sixteen districts in Oakland and Lapeer Counties.
- Oakland Schools' technology services department entered into an agreement in 2021 with the Michigan Association of Intermediate School Administrators to provide service desk support for the MICIP project.
- Oakland Schools provides additional cost recovery services to districts on an as-needed basis.

Early Childhood Programming

The Early Childhood Unit leads county-wide, cross-sector collaborative system building to improve children's school readiness. Children who enter kindergarten with gaps in developmental areas including early language and literacy, social interactions, emotional awareness and control, and numeracy are particularly vulnerable to struggling as learners. Early Childhood prioritizes preventing and closing young children's opportunity and readiness gaps as early as possible, so that they will learn, achieve, and read proficiently by the end of third grade. To this end, the Early Childhood Unit has adopted the following priorities:

- Advance the high-quality implementation and continuous improvement of state funded Great Start Readiness Program (GSRP) preschools for 3,341 children in 212 classrooms. GSRP is provided in all 28 districts, 4 public school academies and 21 community-based organizations in Oakland County.
- Enhance child development and increase student achievement by improving the quality of classrooms serving children from birth to five years of age through educator professional learning, classroom coaching, and program consultation in the areas of standards, curriculum, assessment, and instruction.
- Improve the systemic alignment of resources, initiatives, and systems for children and families throughout the early childhood years to ensure four statewide Great Start child outcomes, that children are: 1) born healthy, 2) thriving and developmentally on track, 3) ready to succeed in school, and 4) reading proficiently by the end of third grade.
- Support families in their awareness and understanding of daily early literacy practices that lay the foundation for later reading and writing. Literacy Champions connected and built relationships with over 75 trusted community businesses, agencies and organizations and set up 56 reading corners with 807 books and over 15,500 pieces of early literacy materials across Oakland County, with a special focus on underserved communities.
- Provide support for children struggling with challenging behaviors through staff training, individualized consultation and support for parents and families.
- Coordinate Early On Oakland, the system of services for children birth to three with developmental delays and diagnosed health conditions. Early On is provided by all 28 LEAs and 2 community-based organizations in Oakland County. Oakland Schools received 3,219 referrals and 2,489 children received early intervention services.
- Provided 38 early childhood professionals with professional learning and coaching on the Essential Instructional Practices in Language and Emergent Literacy Birth to Three that can be applied into their interactions with children and families, regardless of their roles. These practices focus on a

small set of research supported strategies that facilitate the development of foundational language and literacy skills for infants and toddlers during a critical period of development.

- Ensure young children are developmentally on track by providing access to the Ages and Stages Questionnaire for routine screening and monitoring. Of the 23,020 received, 4,217 children (18%) were referred for further assessment and may not have been identified otherwise.
- Develop and provide developmentally appropriate resources and instructional strategies for teachers to integrate into their lessons plans.
- Create and promote a continuum of family engagement and education opportunities through a family-school-community partnership for those with children from prenatal to kindergarten, including those who need intensive services.

Special Education Services

The Oakland Schools Department of Special Populations is dedicated to providing leadership, service and support that strengthen the capacity of schools, families and communities to support the success of students with Individualized Education Programs (IEPs).

Services include, but are not limited to:

- Central coordination of county-wide problem solving and placement of students with IEPs having complex needs
- Provision of assistive technology to county students with IEPs to assure access to instruction and materials
- Support of districts in skill development of staff providing instruction to students with IEPs
- Instructional and consultative services to district staff for students who are deaf/hard of hearing, visually impaired, physically impaired or have traumatic brain injury
- Support of districts to ensure compliance with the Individuals with Disabilities Education Act (IDEA) and Michigan Administrative Rules for Special Education (MARSE) rules and regulations
- Collaboration with various community partners to provide necessary student supports.

Student Services

Student Services provides consulting, coordinating and direct educational services and programs for K-12 students across Oakland County. The vision driving Oakland Schools' Student Services Department is that every student in Oakland County will graduate career ready. Oakland Schools offers many other regional initiatives that provide direct support to Oakland County educators, students, families and industry professionals. Oakland Schools operates four technical campuses directly serving approximately 2,400 students throughout the County. Partnering with industry and our local districts, the K-12 Career Readiness Unit leads Student Services in helping all students (K-12) in Oakland County become career ready. This makes their learning directly relevant to their future. Virtual Learning Academy Consortium (VLAC) is a high-quality, home-based virtual learning opportunity for students in Kindergarten through 12th grade. Our program is a public school option for parents and other caregivers who prefer a flexible, home-based environment, and who are willing to guide their child's learning.

Oakland Schools has built and continuously improves a district-wide learning system that guides students in:

- Making informed career readiness decisions
- Developing academic, technical, and workplace knowledge
- Skills building and preparation to compete effectively in the job market.

Leaders from the community, business and industry, government, and education serve as key stakeholders in Student Services' efforts to design, develop and deploy career readiness services that align with the region's workforce needs. During the school year, significant progress was made in advancing Student

Services' mission, most notably through:

- Regional alignment of career readiness activities, training, and partnerships
- Continuous improvement to the campus facilities and program offerings at all four Oakland Schools technical campuses
- Student acceptance into apprenticeships, 2-year colleges, 4-year colleges and full-time employment.

Oakland Network for Education (ONE)

ONE is a district-wide 311-mile fiber-optic network that benefits all Oakland ISD students and educators through its economy of scale and services. It is a comprehensive network designed to bring significantly enhanced educational opportunities to the students of Oakland Schools' constituent districts.

ONE provides services through advanced voice, video, and data network infrastructure in order to build a stronger learning community within the Oakland Schools boundaries (i.e., lower-cost local, zone, and long-distance telephone access through collaborative bids; dual high-speed circuits for Internet access to meet the growing needs of Oakland ISD educators; and connectivity to the community through a Web presence). ONE provides the following benefits to students: opportunities for all students to access the technological and academic skills necessary for the 21st century; college courses for high school students at their local high school; field experts to work with students; virtual field trips to leading cultural institutions; and video on demand for instruction.

Capital Projects Fund - Construction and Renovation Projects

Oakland Schools maintains a 5-year capital plan which is updated annually, identifying both short-term and long-term construction and renovation projects and the funding source for those projects. Capital projects funds are maintained for the administration building, CFE campus renovations and the Career Connections facility. Through careful planning and funding of these capital projects funds, the District can ensure updated, state-of-the-art facilities are maintained.

Risk Related Activity Fund

The Risk Related Activity Fund is categorized in governmental accounting as an Internal Service Fund and is authorized under GASB Statements Number 10 and 30. An internal services fund is a proprietary fund. Proprietary funds are used to account for state or local government's activities that are similar to activities that may be performed by commercial enterprises. The goal of this fund is to provide administration with a risk management tool. The Risk Related Activity Fund includes accounting for the following District expenses:

- I. Employee Compensated Absences
- II. Employment Benefits including:
 - Health Insurance
 - Dental Insurance
 - Vision Insurance
 - Life Insurance
 - Short-term Disability Insurance
 - Long-term Disability Insurance
 - Workers' Compensation Insurance
 - Unemployment
- III. Other District Expenses/Programs including:

- Property & Casualty Insurance
- Fleet Insurance
- Errors & Omissions
- Cyber Liability
- Professional Liability
- Safety (loss prevention)
- Employee Wellness

We believe the application and operation of this risk management tool is a significant benefit to our District.

Production Print Enterprise Fund

The Production Print Enterprise Fund is categorized in government accounting as an enterprise fund. An enterprise fund is a proprietary fund. Proprietary funds are used to account for state or local governments' activities that are similar to activities that may be performed by commercial enterprises. Enterprise funds are funds used by governmental units to account for services provided to the general public on a user charge basis. The primary operating goal for the Production Print Enterprise Fund is to operate on a break-even basis, however the implications of GASB 68 and 75 have resulted in the fund reporting a deficit net position. Primary elements of the business operating plan for the fund is first to expand operating revenue such as those generated from expanding services to other districts and outside organizations and concurrently closely manage operating costs such as inventory and personnel.

Financial Information

Accounting Systems

The District's fund-level financial statements and government-wide financial statements for our governmental and Agency Fund types have been prepared in conformance with generally accepted accounting principles and are in compliance with Government Accounting Standards Board Statement No. 34. Governmental fund-level statements are prepared on the modified accrual basis of accounting. The revenue is recognized when measurable and available to finance current operations. Expenditures are recognized when the liability is incurred, generally when the goods or services are received, except for interest on long-term debt, which is recorded when paid. With respect to the government-wide financial statements, the full accrual accounting basis is applied as defined under GASB Statement No. 34.

In developing and evaluating the District's financial information system, consideration is given to the adequacy of the internal accounting and administrative control structure and the costs thereof. Accounting and administrative controls comprise the plan of organization, policies, procedures, and records necessary for the safeguarding of assets, the reliability of financial records, and compliance with grant requirements. The expressed purpose is to provide reasonable assurance that:

- Transactions are in accordance with management's and grantors' general or specific authorization.
- Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and other criteria (such as finance-related legal and contractual compliance requirements) and to maintain accountability for assets.
- Access to assets is permitted only in accordance with Board of Education appropriations, financial policies, and management's authorization.
- The recorded accountability for assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any differences.

Accounting and administrative controls comprehend reasonable, but not absolute, assurance that the objectives expressed will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of an internal control structure should not exceed the benefits expected.

Budgetary Controls

The District maintains both accounting and budgetary controls. The objective of budgetary control is to ensure compliance with legal provisions as embodied in and adopted in the annual appropriation budget approved by the Board of Education. Governmental fund types are under formal budgetary control. The activities of the General and Special Revenue Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Project Funds.

The Board of Education established the legal level of control as presented in the fund financial statements. The Board of Education is authorized to make amendments to the budget as it deems necessary. The District also maintains an encumbrance accounting system as a method of budgetary control. Amounts encumbered at year end are re-appropriated as part of the following year's budget. Detailed operating information on a per fund basis can be found in the management's discussion and analysis section of the ACFR.

Fund Balance

The District is in compliance with the provisions of GASB 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. Under this standard, the fund balance classifications are nonspendable, restricted, committed, assigned, and unassigned. The District's fund balance is categorized under these classifications based on the extent to which the District is bound to observe constraints imposed on the use of the resources in the governmental funds.

Cost Allocation Methodologies

During the normal course of conducting business, the District incurs costs that require a logical methodology to allocate between our three major operating funds: The General Education Fund (GEF), the Special Education Fund (SEF) and the Career Focused Education Fund (CFEF). The Michigan Department of Education's (MDE) "Accounting and Fiscal Reporting Requirements for Intermediate School District Use of Special Education Funds" rules identify allocation-eligible "function-based" costs as defined by the MDE Bulletin 1022 Accounting Manual.

For the SEF, the primary controller parameter is a 25% maximum allocation cap on each eligible function-based cost pool. The CFEF has no such limiting set of rules to date, but costs in this fund are treated in the same manner as the SEF with respect to the application of our "general allocation methodology" process.

Oakland Schools uses two basic cost allocation methodologies:

- General allocation method – allocates all qualifying function-based gross budget cost pools not allocated using an activity-based cost method in the following manner: 50% to the GEF, 25% to the SEF and 25% to the CFEF.
- Activity based cost (ABC) method:
 - ABC – FTE based – applied to the Financial Services, Human Resources, Office of Procurement & Contracting and the Enterprise Technical Services departments
 - ABC – Space Usage based – predicated on square footage and is applied to capital, maintenance and operating costs associated with the District's facilities
 - ABC – Transportation – based on student miles transported for all constituent districts and is used for allocation of Pupil Transportation costs.

Debt Administration

Long-term obligations outstanding for the District as of June 30, 2023 consisted of \$39,675,000 in bonded debt, \$2,262,166 in premium on debt issued, \$(388,617) of deferred refunding charges and \$3,306,155 of accrued sick and vacation obligations. All of the District's bonded debt consists of general obligation limited tax instruments. The funding source for the debt service is the operating revenue of the District's General Education, Special Education, and Career Focused Education Funds.

Retirement Plan

All employees of the District are covered by a mandatory, cost-sharing, multiple-employer plan - the Michigan Public School Employees Retirement System (MPERS). The MPERS consists of several different benefit plan types depending upon the first date the employee was eligible to become a MPERS member and the personal elections of the member. Employees participate in the Basic Plan, the Member Investment Plan, the Pension Plus Plan, the Pension Plus 2 Plan, or the Defined Contribution Plan. Members also have the option of choosing between the defined benefit health plan and a personal healthcare fund. These plans and employer and employee contribution rates are discussed further in the notes to the financial statements.

The plans provide their members various benefits, including regular retirement, early retirement, deferred retirement, non-duty disability pension, duty disability pension, and survivor pension.

Benefit and contribution provisions are fixed by state statute and may be amended only by action of the State Legislature.

The District is in compliance with the provisions of GASB 68, *Accounting and Financial Reporting for Pensions* and GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures for pensions and other postemployment benefits (OPEB), respectively. For defined benefit pensions, like the MPERS plan, GASB 68 also identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. These Statements also require certain note disclosures and contain supplemental information requirements about defined benefit pension and OPEB.

Other Information and Acknowledgments

Independent Audit

Michigan law requires an annual audit of the District's basic financial statements. The District's Board of Education engaged Plante & Moran, PLLC for this purpose. The independent auditor's opinions have been included in this report.

The basic financial statements are the responsibility of the District. The responsibility of the independent auditors is to express opinions on the financial statements that collectively comprise the District's basic financial statements based upon their audit, which is conducted in accordance with generally accepted accounting standards 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 the audit be planned and performed in a manner to obtain reasonable assurance that the basic financial statements are free of material misstatement.

Single Audit

As a recipient of federal and state grants, the District is responsible for ensuring that an adequate internal and administrative control structure is in place and compliance with applicable laws and regulations is maintained. To ascertain the level of such compliance, the District has an audit performed in accordance with Title 2 of the U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Certificate of Excellence in Financial Reporting

The District is committed to providing its citizens and other users with comprehensive financial reporting. For school districts meeting the requirements of a comprehensive annual report, the Association of School

Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting. The ASBO awarded a Certificate of Excellence in Financial Reporting to Oakland Schools for its Annual Comprehensive Financial Report for the last nineteen consecutive school fiscal years: 2002-03 through 2020-22.

In order to be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards. Annual Comprehensive Financial Reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Excellence is valid for a period of one year only. The District believes our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting our report to ASBO.

Aaa Bond Rating

The financial community has acknowledged the District's solid financial operations and large, growing tax base in recent years. The District earned the highest bond rating achievable, Aaa, from Moody's Investors Service and received a rating of AA+ from Standard & Poor's Ratings Services. In the most recent rating report dated March 1, 2016, Moody's stated:

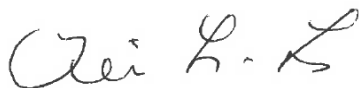
"We anticipate that the district will continue to maintain sound financial operations with solid fund balances in its primary operating funds - the General Fund, the Special Education Fund, the Vocational Education Fund, and the Debt Service Fund - given a demonstrated record of prudent management." Moody's goes on to say, "Oakland Schools' management continues to successfully maintain a satisfactory financial position. Oakland Schools works diligently to provide a variety of services and programs that focus on teacher support and professional development, early childhood development, special education, vocational training and technological advancement in schools."

Moody's reaffirmed the debt rating in May 2021. Oakland Schools' Aaa bond rating allows the District to borrow at the lowest possible interest rate, saving the District interest costs in the future.

Acknowledgments

The preparation of this ACFR was accomplished through the commitment and dedication of Oakland Schools' Department of Financial Services. Management wishes to thank each member of the team for his or her contribution to the completion of this report.

Respectfully submitted,



Teri Les
Assistant Superintendent, Finance & Operations



Michelle Saunders
Executive Director, Financial Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Oakland Schools

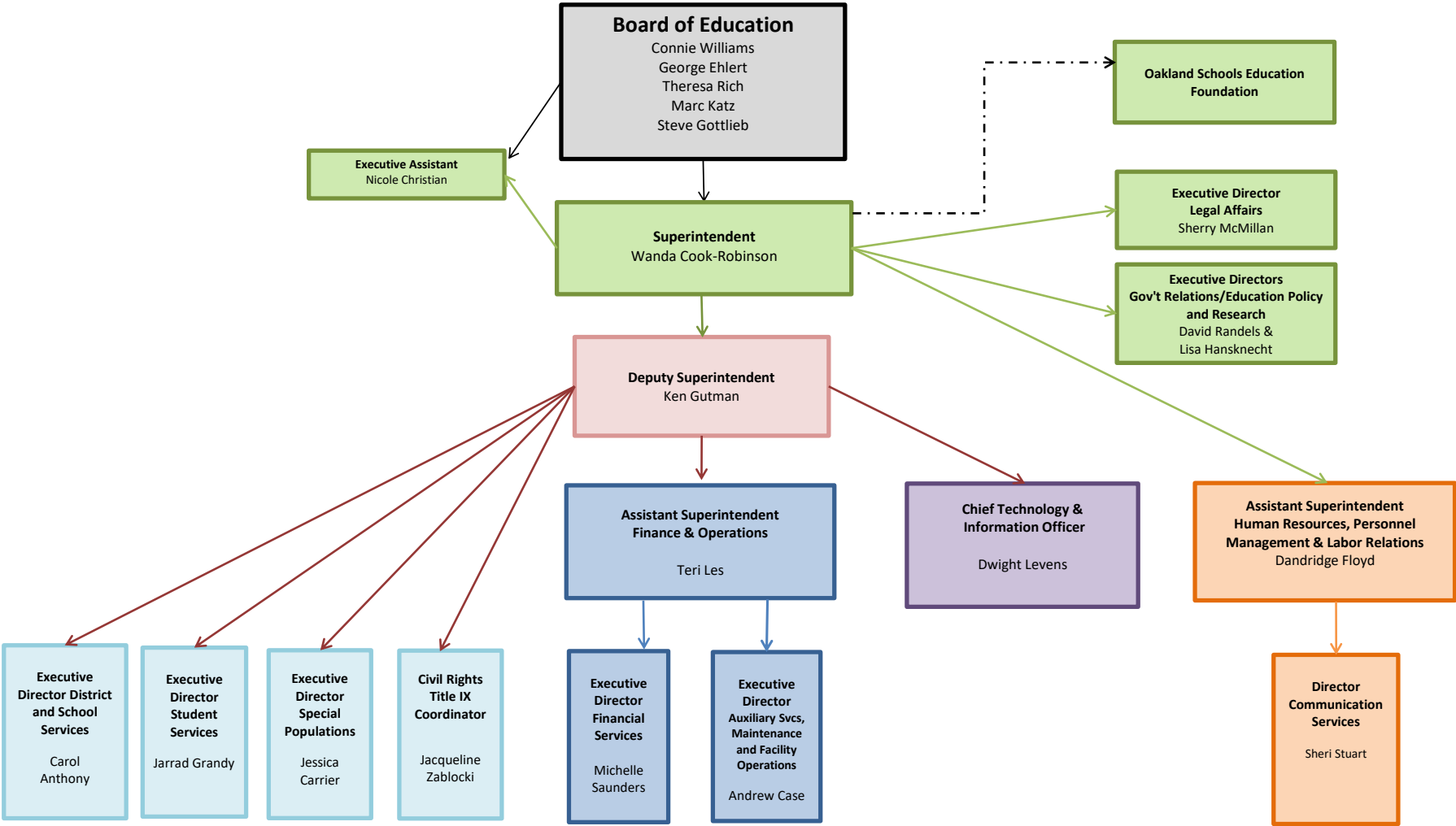
**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



John W. Hutchison
President

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director



Oakland Schools

District Officials

Administration

Dr. Wanda Cook-Robinson
Superintendent

Kenneth Gutman
Deputy Superintendent

Teri Les
Assistant Superintendent, Finance and
Operations

Dandridge Floyd
Assistant Superintendent, Human
Resources, Personnel Management &
Labor Relations

Carol Anthony
Executive Director, District and School
Services

Jessica Carrier
Executive Director, Special Populations

Andrew Case
Executive Director, Auxiliary Services,
Maintenance, Facilities & Operations

Jarrad Grandy
Executive Director, Student Services

Lisa Hansknecht
Executive Director of Government
and Community Services

Dwight Levens
Executive Director, Technology
Services

Sherry McMillan
Executive Director, Legal Affairs

David Randels
Executive Director of Government
Relations, Education Policy and
Research

Michelle Saunders
Executive Director, Financial
Services

Sheri Stuart
Director of Communications

Board of Education

George Ehlert
President

Dr. Theresa Rich
Vice President

Connie Williams
Secretary

Marc Katz
Treasurer

Steven Gottlieb
Trustee

Independent Auditor's Report

To the Board of Education
Oakland Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the major funds, and the aggregate remaining fund information of Oakland Schools (the "School District") as of and for the year ended June 30, 2023 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major funds, and the aggregate remaining fund information of Oakland Schools as of June 30, 2023 and the respective changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Education
Oakland Schools

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 Supplementary Information

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

To the Board of Education
Oakland Schools

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 17, 2023

This section of Oakland Schools' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2023. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Using This Annual Report

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Oakland Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term and what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds - the General Education Fund, the Special Education Fund, the Vocational Education Fund, and the CFE Campus Renovations Capital Projects Fund - with all other funds presented in one column as nonmajor funds. Two of the remaining statements, the statements of fiduciary net position and changes in fiduciary net position, present financial information about activities for which the School District acts solely as an agent for the benefit of administrative groups. The other remaining statements are related to the School District's proprietary funds (internal services and enterprise). The Risk Related Activity Fund, an internal service fund, accounts for all of the costs associated with the School District's insurance programs and employee compensated absences provided to other funds of the School District on a cost-reimbursement basis. The Production Print Enterprise Fund, an enterprise fund, accounts for all of the School District's graphics and printing operational costs, including all district-direct and client-based service costs. This report is composed of the following elements:

Management's Discussion and Analysis (MD&A) (Required Supplementary Information)

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplementary Information

Budgetary Comparison Schedules for Major Funds

Schedules of Proportionate Share of the Net Pension and OPEB Liabilities

Schedules of Pension and OPEB Contributions

Notes to the Required Supplementary Information

Other Supplementary Information

Budgetary Comparison Schedules for Nonmajor Special Revenue Funds

Combining Nonmajor Fund Financial Statements

Combining Nonmajor Special Revenue Fund Financial Statements

Schedule of Bonded Indebtedness

Statistical Section

Reporting the School District as a Whole - Government-wide Financial Statements

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the School District's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the statement of net position - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net position, as reported in the statement of activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District's operating results. However, the School District's goal is to provide services to the students and educators in our county, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education and services provided and the safety of the schools, to assess the overall health of the School District.

The statement of net position and the statement of activities report the governmental activities and business-type activities for the School District. Governmental activities encompass most of the School District's services, including instruction, support services, community services, payments to subrecipients, and other various services. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities. Business-type activities are financed through charges for services.

Reporting the School District's Most Significant Funds - Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental Funds

Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation.

Proprietary Funds

Proprietary fund reporting focuses on the economic resources measurement and an accounting method called full accrual accounting. The proprietary fund statements present a long-term view of operations and the services they provide to other funds. The School District established two proprietary funds. The first is the internal service fund, which was established to finance specific services provided to other funds of the School District on a cost-reimbursement basis. The specific services represent accounting for all insurance benefits and compensated absences of the School District. The second is an enterprise fund called the Production Print Enterprise Fund, which reports activities for which there is a fee to external users for goods and services.

Fiduciary Funds

Fiduciary funds are used to account for resources held in a fiduciary capacity for others. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available for the support of the School District's own programs. The accounting used for fiduciary funds is the full accrual basis of accounting.

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. The following table provides a summary of the School District's net position as of June 30, 2023 and 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
	(in millions)		(in millions)		(in millions)	
Assets						
Current and other assets	\$ 160.8	\$ 147.1	\$ 0.7	\$ 0.7	\$ 161.5	\$ 147.8
Capital assets	70.4	76.5	1.3	1.5	71.7	78.0
Total assets	231.2	223.6	2.0	2.2	233.2	225.8
Deferred Outflows of Resources	66.7	34.0	0.5	0.2	67.2	34.2
Liabilities						
Current liabilities	47.9	53.4	0.2	0.2	48.1	53.6
Noncurrent liabilities	47.7	49.8	1.2	1.4	48.9	51.2
Net pension liability	184.1	118.1	1.5	0.9	185.6	119.0
Net OPEB liability	10.1	7.6	0.1	-	10.2	7.6
Total liabilities	289.8	228.9	3.0	2.5	292.8	231.4
Deferred Inflows of Resources	39.6	78.2	0.3	0.6	39.9	78.8
Net Position (Deficit)						
Net investment in capital assets	26.4	30.6	-	0.1	26.4	30.7
Restricted	45.2	40.7	-	-	45.2	40.7
Unrestricted	(103.1)	(120.8)	(0.8)	(0.8)	(103.9)	(121.6)
Total net position (deficit)	<u>\$ (31.5)</u>	<u>\$ (49.5)</u>	<u>\$ (0.8)</u>	<u>\$ (0.7)</u>	<u>\$ (32.3)</u>	<u>\$ (50.2)</u>

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's governmental net position was \$(31.5) million at June 30, 2023. Net investment in capital assets totaling \$26.4 million compares the original cost, less depreciation and amortization of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt represents general obligation bonds and, as such, is secured by and pledges the full faith and credit of the School District for payment of the debt service. The remainder consists of lease liabilities recorded under GASB 87, *Leases*, in the statement of net position. Restricted net position of \$45.2 million is reported separately to show legal constraints from voter-approved ballot language covenants, commitments to capital projects, and debt service, as well as enabling legislation that limits the School District's ability to use that net position for day-to-day operations. The remaining amount of net position of \$(103.1) million was unrestricted. The analysis of the changes to follow is in reference to the primary government as a whole but is indicative of changes in governmental activities; business-type activities had very little fluctuation in fiscal year 2023.

Management's Discussion and Analysis (Continued)

The \$(103.1) million in unrestricted net position of governmental activities represents the accumulated results of all past years' General Education Fund operations, impacted by GASB Statement Nos. 68, 71, and 75, plus the operational results of the cooperative education special revenue funds, capital projects funds, and the Risk Related Activity Fund. The \$45.2 million of restricted net position represents the accumulated results of all past years' Special Education and Vocational Education funds operations, as well as debt service funds operations. The restricted and unrestricted net position balances enable the School District to meet working capital and cash flow requirements and provide for future uncertainties. The operating results of the General Education Fund and certain special revenue funds will have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for the School District as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2023 and 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
	(in millions)		(in millions)		(in millions)	
Revenue						
Program revenue:						
Charges for services	\$ 40.0	\$ 34.8	\$ 2.0	\$ 1.8	\$ 42.0	\$ 36.6
Operating grants	117.6	96.4	-	-	117.6	96.4
General revenue:						
Taxes	218.8	208.2	-	-	218.8	208.2
State aid not restricted to specific purposes	16.3	14.3	-	-	16.3	14.3
Other	6.8	(0.7)	-	-	6.8	(0.7)
Total revenue	399.5	353.0	2.0	1.8	401.5	354.8
Expenses						
Instruction	19.8	19.3	-	-	19.8	19.3
Support services	86.8	76.6	2.1	2.1	88.9	78.7
Community services	1.7	1.2	-	-	1.7	1.2
Interdistrict transfers and other	265.8	237.2	-	-	265.8	237.2
Debt service	1.9	2.0	-	-	1.9	2.0
Depreciation - Unallocated	5.5	5.5	-	-	5.5	5.5
Total expenses	381.5	341.8	2.1	2.1	383.6	343.9
Change in Net Position	18.0	11.2	(0.1)	(0.3)	17.9	10.9
Net Position (Deficit) - Beginning of year	(49.5)	(60.7)	(0.7)	(0.4)	(50.2)	(61.1)
Net Position (Deficit) - End of year	\$ (31.5)	\$ (49.5)	\$ (0.8)	\$ (0.7)	\$ (32.3)	\$ (50.2)

As reported in the statement of activities, the cost of all of our governmental activities this year was \$381.5 million. Certain activities were partially funded from those who benefited from the programs (\$40.0 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$117.6 million). We paid the remaining public benefit portion of our governmental activities with \$218.8 million in taxes and \$16.3 million in unrestricted state aid and other grants. Other general revenue consists of \$6.5 million in interest and investment earnings and \$0.3 million in gain on disposal of assets and other revenue. The analysis of the changes to follow is in reference to the governmental activities, as business-type activities had very little fluctuation in fiscal year 2023.

The School District experienced an increase in net position of \$18.0 million, which is directly related to the impact of GASB Statement Nos. 68 and 75, resulting in net pension and OPEB recoveries of \$8.0 million being recorded in the government-wide statements. Additionally, the improved interest rate environment resulted in a positive impact to net earnings of \$6.5 million in investment revenue.

As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

The School District's Funds

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School District's overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$107.1 million, which is an increase of \$19.3 million from last year. The primary reasons for the increase are discussed below in our analysis of major and nonmajor funds:

General Education Fund

In the General Education Fund, our principal operating fund, the fund balance decreased by \$0.85 million to \$6.1 million. The following represents significant changes in the General Education Fund:

Revenue - Revenue increased by net \$27.3 million to a total of \$81.5 million primarily because of an increase in state and federal revenue of \$22.4 million and \$2.5 million, respectively. These increases were due to an increase in grant revenue recognized by the School District for the Great Start Readiness Program (GSRP), which provided both state and federal funding. Additional grant revenue was also recognized in programs benefiting from American Rescue Plan dollars, such as the McKinney Vento Homeless Student Program. Local revenue increased by \$2.5 million due to an increase in property tax revenue, investment earnings, and fees for services to local districts that were subsidized at a higher level in prior year.

Expenditures - Net expenditures increased by \$24.5 million to a total of \$76.5 million. Interdistrict transfers and other increased by \$24.6 million, which is a direct correlation to the increased revenue for GSRP programs.

Other Financing Sources (Uses) - Net transfers out to other funds increased by \$6.2 million to a net \$(7.8) million, as more operating transfers were made for future capital projects. Additionally, in 2023, proceeds from the sale of a building were recorded totaling \$2.1 million.

Special Education Fund

The Special Education Fund, which accounts for all revenue and expenditures related to the School District's operation of special education programs, including transfers to its constituent school districts for the operation of local special education programs, experienced an increase in fund balance of \$5.3 million to \$20.3 million. The following represents significant changes in the Special Education Fund:

Revenue - Revenue increased by net \$9.9 million to a total of \$230.1 million primarily as a result of an increase in property tax and other local revenue of \$10.6 million and an increase in state revenue of \$1.7 million, offset by a decrease in federal revenue of \$2.4 million. State revenue increased due to additional Early On grant funding received and additional state aid categorical funding. Federal revenue decreased due to a decrease in Individuals with Disabilities Education Act (IDEA) grant spending by constituent districts.

Expenditures - Expenditures increased by \$3.1 million, or 1.4 percent, to a total of \$224.5 million. The majority of this increase, \$2.3 million, is for Early On and IDEA grant support services. There is also a minor increase in Community Services expenditures due to a change in the coding of local district expenditures for nonpublic school students under the IDEA grant programs.

Other Financing Sources (Uses) - Net other financing sources (uses) decreased by \$0.3 million to a total of \$(0.2) million and consist primarily of transfers for capital projects.

Vocational Education Fund

The Vocational Education Fund, which accounts for all revenue and expenditures related to the School District's operation of vocational education programs, including transfers to its constituent school districts for the operation of local vocational education programs, experienced a decrease in fund balance of \$0.24 million to \$6.9 million. The following represents significant changes in the Vocational Education Fund:

Revenue - Revenue increased by net \$4.9 million to a total of \$52.3 million as a result of an increase in property tax and other local revenue of \$2.9 million and an increase in state aid categorical funding of \$2.4 million, offset by a decrease in federal grant revenue of \$0.4 million.

Expenditures - Expenditures increased by \$1.7 million to a total of \$42.5 million. Changes consisted of an increase of \$0.8 million in instruction expenditures and \$1.6 million in support services and capital expenditures, offset by a \$0.7 million decrease in interdistrict and other expenditures. Expenditures increased primarily due to one-time retirement costs payable to the Office of Retirement Services under Section 147c(2) of the State Aid Act. These expenditures were funded with one-time state revenue.

Other Financing Sources (Uses) - Net other financing sources (uses) consist primarily of operating transfers to debt service and capital projects funds and increased by \$2.4 million or 31 percent due to future planned projects at the School District's vocational education technical campuses.

CFE Campus Renovations Capital Projects Fund

The CFE Campus Renovations Capital Projects Fund, which accounts for all revenue and expenditures related to capital asset acquisition, renovation, or improvement at the four vocational education technical campuses, experienced an increase in fund balance of \$13.1 million to \$24.3 million. The following represents significant changes in the CFE Campus Renovations Capital Projects Fund:

Revenue - Revenue consists solely of investment earnings and increased by \$0.3 million.

Expenditures - Expenditures increased by \$1.5 million to a total of \$3.0 million. Changes consist of an increase of capital expenditures, which fluctuate annually based on annual equipment and/or renovation needs.

Other Financing Sources - Net other financing sources increased by \$12.0 million and consist of operating transfers from the General Education Fund and Vocational Education Fund due to future planned projects at the School District's vocational education technical campuses.

Nonmajor Funds

The fund balance of our special revenue funds increased by \$2.8 million from \$16.5 million last year to \$19.3 million this year primarily as a result of additional contributions made for fiber network upgrades in the ONE Cooperative Activities Fund offset by reductions in the Shared Services and Tuition Programs Cooperative Activities Fund due to refunds provided to districts for tuition program cost savings.

Combined, the fund balance of our debt service funds decreased by \$0.8 million from \$19.1 million to \$18.3 million. This is due to the normal payment of principal and interest on debt obligations, offset by operating transfers in from other funds to provide for future debt service. Debt service fund balances are reserved since they can only be used to pay debt service obligations.

The fund balance of our two nonmajor capital projects funds combined decreased by \$0.1 million from \$12.0 million to \$11.9 million. This is due to the closure of the Career Connections Facility Capital Projects Fund and the net remaining fund balance being returned to its original source, the General Education Fund.

Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted in June 2023. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplementary information of these financial statements.

General Education Fund

There were significant revisions made to the 2022-2023 original budget for the General Education Fund. Revenue and expenditure budgets were increased by approximately \$35.8 million and \$36.8 million, respectively, due to revised funding allocations, newly awarded grants, and expenditures associated with state categorical and federal grants. In addition, expenditure budgets were increased to accommodate operating transfers to other funds for capital projects.

Actual total revenue and total expenditures for the General Education Fund were below the final amended budget by \$18.9 million and \$19.7 million, respectively. Significant variations from the budgets are primarily related to the timing of the spending of grant allocations. The School District budgets for the entire amount of grant awards when received; however, the grant period may extend beyond the School District's fiscal year. Therefore, at fiscal year end, there are unspent grant awards that are to be carried over into the next fiscal year and will represent a budget variance. Such items relate solely to timing, and grant funds will be expended by the expiration date of the associated grant.

Major Special Revenue Funds

In the Special Education Fund, budgeted revenue and expenditures were increased by approximately \$9.2 million and \$12.9 million, respectively, for changes in special education funding from state, local, and federal sources, as well as increased distributions to local districts offset by budget reductions for instructional and support services primarily due to staff vacancies or unneeded professional services budgets.

Significant variations in the Special Education Fund budget compared to actual results relate to funding under federal grants and the timing of the spending of the grant allocations and interdistrict transfers and other. Such items relate to timing, and grant funds will be expended by the expiration date of the associated grant. The timing of expenditures being reimbursed to constituent districts also resulted in budget variances. Additionally, in the final budget amendment of the year, the School District appropriated an additional distribution of special education millage money to its constituent districts. This distribution was not made in 2022-2023, resulting in a budget variance; however, it will be completed in the subsequent fiscal year.

Finally, in the Vocational Education Fund, budgeted revenue was increased by approximately \$4.1 million to address additional property tax revenue and state grant funding. Expenditure budgets were increased by \$5.0 million for increased operating transfers to the CFE Campus Renovations Capital Projects Fund offset by reductions in instructional and support services budgets due to staff vacancies.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2023, the School District had \$71.8 million invested in a broad range of capital assets, including land, buildings, furniture, equipment, and lease assets. This amount represents a net decrease (including additions, disposals, and depreciation and amortization) of approximately \$6.0 million, or 7.9 percent, from last year.

Management's Discussion and Analysis (Continued)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,288,778	\$ 3,410,122	\$ -	\$ -	\$ 3,288,778	\$ 3,410,122
Buildings	26,263,114	27,088,030	-	-	26,263,114	27,088,030
Furniture and equipment	38,161,301	37,361,899	1,612,070	1,612,070	39,773,371	38,973,969
Vehicles and other vehicles	780,970	780,970	-	-	780,970	780,970
Building improvements	92,571,874	93,832,822	-	-	92,571,874	93,832,822
Lease assets - Building	3,166,140	3,166,140	1,489,744	1,489,744	4,655,884	4,655,884
Total capital assets	164,232,177	165,639,983	3,101,814	3,101,814	167,333,991	168,741,797
Less accumulated depreciation and amortization	93,789,122	89,182,043	1,762,081	1,609,158	95,551,203	90,791,201
Total capital assets - Net of accumulated depreciation and amortization	\$ 70,443,055	\$ 76,457,940	\$ 1,339,733	\$ 1,492,656	\$ 71,782,788	\$ 77,950,596

We present more detailed information about our capital assets in Note 7 to the financial statements.

Debt

At the end of this year, the School District had \$39.7 million in outstanding limited tax general obligation bonded debt. The State limits the amount of general obligation debt that intermediate school districts can issue to one-ninth of 1.0 percent of the state assessed value of all taxable property within the School District's boundaries unless the question of borrowing money or issuing bonds is submitted first to a vote of the school electors and approved by a majority of registered school electors. The School District's outstanding general obligation debt is below the statutorily imposed limit.

Other obligations include bond premiums, lease liabilities, accrued vacation pay, and sick leave. We present more detailed information about our long-term liabilities in Note 9 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's June 30, 2023 budget. One of the most important factors affecting the budget is the economic condition of the State of Michigan. The fiscal year 2023 budget was adopted in June 2022 based on an estimate of property tax revenue, state aid, and grant funding. State law requires the School District to amend the budget if actual school district resources are not sufficient to fund original appropriations.

Since the School District's revenue is primarily dependent on property taxes and partially dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the projected increase of the School District's tax base and the State's ability to collect revenue to fund its appropriations to school districts. The School District has been experiencing increases in tax revenue over the last nine fiscal years. Property tax revenue increased by 2.8 percent and 5.1 percent, or \$5.6 million and \$10.6 million, in 2022 and 2023, respectively. Based on projections from the Oakland County, Michigan equalization department, we anticipate 2024 tax receipts to increase by approximately 7.0 percent compared to 2023 collections.

The taxable valuations for Oakland County, Michigan (the "County") properties declined significantly during the Great Recession beginning in 2009 but have rebounded and experienced healthy growth in the last five years.

Several consecutive years of declining property tax values during the recession had an impact lasting into fiscal year 2022, with a cumulative erosion of district revenue of approximately \$435.6 million, until the tax base finally recovered in 2023. Nearly 76 percent of this decline is special education property tax, which flows through to school districts in Oakland County. Taxable values of Oakland County properties have stabilized and have begun to rebound, with 6.5 percent growth projected for 2024 and 4.5 percent growth projected for 2025 and 2026.

Related to the decline in taxable values are ongoing Michigan Tax Tribunal (MTT) judgments. There has been a backlog of cases that the State is attempting to process. Not all MTT judgments result in a reduction in taxable value for the plaintiff, although a good number of them do. These judgments often result in a refund of previously collected property taxes that the County must provide to a plaintiff, and the County passes these costs onto the respective municipalities and school districts, such as Oakland Schools. At the time of this publication, Oakland Schools is using the same information that the Oakland County, Michigan government has developed for determining the liability exposure to MTT appeals. As a result, we have determined that a reserve of \$0.4 million is appropriate to address successful property tax appeals through the School District's fiscal year ending June 30, 2024.

At times in the past, the State of Michigan has issued midyear executive orders prorating and reducing the State's funding commitment to the School District. This possibility continues to exist for fiscal year 2024, although proration is unlikely based on May 2023 state revenue estimates. Estimates from the Michigan House and Senate Fiscal Agencies show stable revenue from 2023 to 2024. Available appropriations in the School Aid Fund are also increasing in 2024 due to the use of existing fund balance from 2023. Communications surrounding financial projections are highly cautionary, as uncertainties continue to exist regarding inflation, supply chain disruptions, housing, financial valuations, and global political developments. Careful monitoring of legislative, gubernatorial, and Michigan Department of Education actions will be essential for the School District to understand and plan for all revenue, identify requirements to receive and utilize federal revenue, and craft methodologies to allocate costs to ensure reimbursement. The extent of possible funding proration by the State and how it affects Oakland Schools' budget have yet to be determined. Oakland Schools' unassigned fund balance in the General Education Fund of \$4.7 million and restricted fund balances in the Special Education Fund of \$20.2 million and Vocational Education Fund of \$6.8 million are sufficient to meet any unanticipated shortfalls the State may experience in the School Aid Fund in fiscal year 2024.

The basic structure of the Michigan Public School Employees' Retirement System, including cost support provided by the School Aid Fund, will continue in 2024. The overall contribution rate is expected to increase to 48 percent from 45 percent, with the net cost to the School District approximating 31 percent. While the net cost to the School District changes marginally, the overall contribution rate continues to increase year to year. The School Aid Fund implication is that more resources are redirected from the funding of operations to the support of the retirement system funding requirement.

The 2024 budget, as adopted in June 2023, contains an assumption regarding the impact for sequestration and the potential loss in federal revenue. At risk are federal grant revenue and the federal interest subsidy received on Qualified School Construction Bonds (QSCB). The federal interest subsidy on QSCB was reduced in fiscal year 2023 by 5.7 percent. Similar reductions were assumed in the creation of the fiscal year 2024 budget.

Contacting the School District's Management

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the department of financial services at 2111 Pontiac Lake Road, Waterford, MI 48328 or by telephone at (248) 209-2122.

June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (Note 4)	\$ 114,402,291	\$ 339,222	\$ 114,741,513
Receivables:			
Property taxes receivable	865,682	-	865,682
Accrued interest receivable	614,695	1,587	616,282
Other receivables	177,629	133,151	310,780
Due from other governments	32,519,597	52,857	32,572,454
Inventories	-	122,852	122,852
Prepaid expenses and other assets	315,894	5,565	321,459
Restricted assets (Notes 2 and 4)	11,842,577	-	11,842,577
Capital assets: (Note 7)			
Land	3,288,778	-	3,288,778
Depreciable and amortizable capital assets, less accumulated depreciation and amortization of \$95,551,203	67,154,277	1,339,733	68,494,010
Total assets	231,181,420	1,994,967	233,176,387
Deferred Outflows of Resources			
Deferred charges on bond refunding (Note 9)	388,617	-	388,617
Deferred pension costs (Note 11)	53,589,786	426,106	54,015,892
Deferred OPEB costs (Note 11)	12,698,680	100,284	12,798,964
Total deferred outflows of resources	66,677,083	526,390	67,203,473
Liabilities			
Accounts payable	2,046,505	39,031	2,085,536
Due to other governmental units	24,575,107	78,699	24,653,806
Accrued liabilities and other	7,231,748	36,379	7,268,127
Unearned revenue (Note 6)	14,098,849	-	14,098,849
Noncurrent liabilities:			
Due within one year:			
Provision for compensated absences (Note 9)	330,615	-	330,615
Bond and leases payable (Note 9)	1,968,920	98,729	2,067,649
Due in more than one year:			
Provision for compensated absences - Net of current portion (Note 9)	2,975,540	-	2,975,540
Bonds and leases payable - Net of current portion (Note 9)	42,417,318	1,227,832	43,645,150
Net pension liability (Note 11)	184,100,095	1,455,485	185,555,580
Net OPEB liability (Note 11)	10,095,224	62,845	10,158,069
Total liabilities	289,839,921	2,999,000	292,838,921
Deferred Inflows of Resources (Note 11)			
Revenue in support of pension contributions made subsequent to the report date	12,921,602	106,326	13,027,928
Deferred pension cost reductions	4,273,607	30,243	4,303,850
Deferred OPEB cost reductions	22,358,769	178,846	22,537,615
Total deferred inflows of resources	39,553,978	315,415	39,869,393
Net Position (Deficit)			
Net investment in capital assets	26,445,434	13,172	26,458,606
Restricted:			
Special education	20,291,725	-	20,291,725
Vocational education	6,854,138	-	6,854,138
Debt service	18,009,397	-	18,009,397
Unrestricted	(103,136,090)	(806,230)	(103,942,320)
Total net position (deficit)	<u>\$ (31,535,396)</u>	<u>\$ (793,058)</u>	<u>\$ (32,328,454)</u>

Oakland Schools

Statement of Activities

Year Ended June 30, 2023

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
Primary government:						
Governmental activities:						
Instruction:						
Special education	\$ 937,433	\$ -	\$ -	\$ (937,433)	\$ -	\$ (937,433)
Vocational education	15,828,315	378,629	3,003,673	(12,446,013)	-	(12,446,013)
Other instruction	3,075,861	2,701,249	163,485	(211,127)	-	(211,127)
Support services	86,848,452	36,912,601	19,126,431	(30,809,420)	-	(30,809,420)
Community services	1,710,405	-	1,796,416	86,011	-	86,011
Interdistrict transfers and other	265,753,825	-	93,477,222	(172,276,603)	-	(172,276,603)
Interest and other	1,921,360	-	-	(1,921,360)	-	(1,921,360)
Unallocated depreciation and amortization (excludes direct depreciation and amortization expenses of various programs) (Note 7)	5,535,406	-	-	(5,535,406)	-	(5,535,406)
Total governmental activities	381,611,057	39,992,479	117,567,227	(224,051,351)	-	(224,051,351)
Business-type activities - Includes depreciation and amortization expense of \$152,923	2,127,045	2,035,230	-	-	(91,815)	(91,815)
Total primary government	\$ 383,738,102	\$ 42,027,709	\$ 117,567,227	(224,051,351)	(91,815)	(224,143,166)
General revenue:						
Taxes:						
Property taxes levied for general education purposes				13,000,316	-	13,000,316
Property taxes levied for special education purposes				165,354,833	-	165,354,833
Property taxes levied for vocational education purposes				40,445,772	-	40,445,772
State aid not restricted to specific purposes				16,294,515	-	16,294,515
Interest and investment earnings				6,519,462	15,894	6,535,356
Gain on disposal of capital assets				231,511	-	231,511
Other				164,190	-	164,190
Total general revenue				242,010,599	15,894	242,026,493
Change in Net Position				17,959,248	(75,921)	17,883,327
Net Position (Deficit) - Beginning of year				(49,494,644)	(717,137)	(50,211,781)
Net Position (Deficit) - End of year				\$ (31,535,396)	\$ (793,058)	\$ (32,328,454)

See notes to financial statements.

Governmental Funds
Balance Sheet

June 30, 2023

	General Education Fund	Special Education Fund	Vocational Education Fund	Capital Projects - CFE Campus Renovations	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and investments (Note 4)	\$ 15,315,077	\$ 19,290,290	\$ 10,073,886	\$ 24,538,639	\$ 39,158,660	\$ 108,376,552
Receivables:						
Property taxes receivable	51,436	654,223	160,023	-	-	865,682
Accrued interest receivable	105,078	14,033	75,086	97,884	308,025	600,106
Other receivables	45,275	157	413	-	131,784	177,629
Due from other governments	6,242,239	21,871,231	1,746,391	-	2,659,736	32,519,597
Prepaid expenditures	45,317	51,513	27,578	59,360	132,126	315,894
Restricted assets (Notes 2 and 4)	-	-	-	-	11,842,577	11,842,577
Total assets	\$ 21,804,422	\$ 41,881,447	\$ 12,083,377	\$ 24,695,883	\$ 54,232,908	\$ 154,698,037
Liabilities						
Accounts payable	\$ 820,028	\$ 183,734	\$ 218,910	\$ 404,151	\$ 388,905	\$ 2,015,728
Due to other governmental units	1,239,570	19,261,201	1,403,967	-	2,670,369	24,575,107
Accrued payroll and other liabilities	1,108,179	1,455,462	3,427,182	-	817,493	6,808,316
Unearned revenue (Note 6)	12,404,439	682,271	154,180	-	857,959	14,098,849
Total liabilities	15,572,216	21,582,668	5,204,239	404,151	4,734,726	47,498,000
Deferred Inflows of Resources - Unavailable revenue (Note 6)	111,467	7,054	25,000	-	-	143,521
Total liabilities and deferred inflows of resources	15,683,683	21,589,722	5,229,239	404,151	4,734,726	47,641,521
Fund Balances						
Nonspendable - Prepaid expenditures	45,317	51,513	27,578	59,360	132,126	315,894
Restricted:						
Debt service	-	-	-	-	18,330,547	18,330,547
Special education	-	20,240,212	-	-	-	20,240,212
Vocational education	-	-	6,826,560	-	-	6,826,560
Committed:						
Capital projects	-	-	-	24,232,372	11,751,653	35,984,025
Special revenue funds	-	-	-	-	19,283,856	19,283,856
Assigned - Countywide communications channel project	1,400,000	-	-	-	-	1,400,000
Unassigned	4,675,422	-	-	-	-	4,675,422
Total fund balances	6,120,739	20,291,725	6,854,138	24,291,732	49,498,182	107,056,516
Total liabilities, deferred inflows of resources, and fund balances	\$ 21,804,422	\$ 41,881,447	\$ 12,083,377	\$ 24,695,883	\$ 54,232,908	\$ 154,698,037

See notes to financial statements.

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2023

Fund Balances Reported in Governmental Funds	\$ 107,056,516
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets and lease assets used in governmental activities are not financial resources and are not reported in the funds:	
Cost of assets	164,232,177
Accumulated depreciation and amortization	<u>(93,789,122)</u>
Net capital assets and lease assets used in governmental activities	70,443,055
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	143,521
Deferred inflows and outflows related to bond refundings are not reported in the funds	388,617
Bonds payable including premium and leases payable are not due and payable in the current period and are not reported in the funds	(44,386,238)
Accrued interest is not due and payable in the current period and is not reported in the funds	(321,150)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Net pension liability and related deferred inflows and outflows	(134,783,916)
Net OPEB liability and related deferred inflows and outflows	(19,755,313)
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	(12,921,602)
Internal service funds are included as part of governmental activities	<u>2,601,114</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (31,535,396)</u></u>

Oakland Schools

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2023

	General Education Fund	Special Education Fund	Vocational Education Fund	Capital Projects - CFE Campus Renovations	Nonmajor Governmental Funds	Total Governmental Funds
Revenue						
Local sources	\$ 18,088,570	\$ 168,063,001	\$ 41,880,720	\$ 327,970	\$ 36,640,929	\$ 265,001,190
State sources	58,548,583	10,633,124	8,618,635	-	2,371,060	80,171,402
Federal sources	4,547,015	51,049,813	1,728,471	-	1,511,630	58,836,929
Other	295,399	311,193	116,142	-	-	722,734
Total revenue	81,479,567	230,057,131	52,343,968	327,970	40,523,619	404,732,255
Expenditures						
Current:						
Instruction	143,973	339,708	16,945,913	-	3,620,636	21,050,230
Support services	28,223,387	23,723,450	22,191,228	8,800	16,454,617	90,601,482
Community services	1,044,020	714,487	-	-	-	1,758,507
Debt service:						
Principal	33,838	112,443	192,741	-	1,419,024	1,758,046
Interest and other	1,626	48,118	25,788	-	2,001,572	2,077,104
Capital outlay	76,082	366,461	96,828	2,973,636	958,412	4,471,419
Interdistrict transfers and other	47,007,825	199,197,044	3,007,657	-	16,541,299	265,753,825
Total expenditures	76,530,751	224,501,711	42,460,155	2,982,436	40,995,560	387,470,613
Excess of Revenue Over (Under) Expenditures	4,948,816	5,555,420	9,883,813	(2,654,466)	(471,941)	17,261,642
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	2,050,000	-	-	-	-	2,050,000
Transfers in (Note 8)	889,264	-	-	15,800,000	4,146,600	20,835,864
Transfers out (Note 8)	(8,738,400)	(211,100)	(10,127,100)	-	(1,759,264)	(20,835,864)
Total other financing (uses) sources	(5,799,136)	(211,100)	(10,127,100)	15,800,000	2,387,336	2,050,000
Net Change in Fund Balances	(850,320)	5,344,320	(243,287)	13,145,534	1,915,395	19,311,642
Fund Balances - Beginning of year	6,971,059	14,947,405	7,097,425	11,146,198	47,582,787	87,744,874
Fund Balances - End of year	<u>\$ 6,120,739</u>	<u>\$ 20,291,725</u>	<u>\$ 6,854,138</u>	<u>\$ 24,291,732</u>	<u>\$ 49,498,182</u>	<u>\$ 107,056,516</u>

See notes to financial statements.

Governmental Funds

**Reconciliation of the Statement of Revenue, Expenditures, and Changes in
Fund Balances to the Statement of Activities**

Year Ended June 30, 2023

Net Change in Fund Balances Reported in Governmental Funds	\$ 19,311,642
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation and amortization:	
Capitalized capital outlay	1,339,010
Depreciation and amortization expense	(5,535,406)
Net book value of assets disposed of	(1,818,489)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(321,455)
Revenue in support of pension contributions made subsequent to the measurement date	(5,072,006)
Repayment of bond principal and lease liabilities is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt and lease liabilities); amortization of premium/discounts and inflows/outflows related to bond refundings are not expenses in the governmental funds	1,902,165
Interest expense is recognized in the government-wide statements as it accrues	11,625
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	7,994,784
Internal service funds are included as part of governmental activities	147,378
Change in Net Position of Governmental Activities	<u>\$ 17,959,248</u>

Proprietary Funds Statement of Net Position

June 30, 2023

	Production Print Enterprise Fund	Internal Service Fund
Assets		
Current assets:		
Cash (Note 4)	\$ 339,222	\$ 6,025,739
Receivables:		
Accrued interest receivable	1,587	14,589
Other receivables	133,151	-
Due from other governments	52,857	-
Inventories	122,852	-
Prepaid expenses and other assets	5,565	-
Total current assets	655,234	6,040,328
Noncurrent assets - Capital assets - Net of accumulated depreciation and amortization of \$1,762,081 (Note 7)	1,339,733	-
Total assets	1,994,967	6,040,328
Deferred Outflows of Resources (Note 11)		
Deferred pension costs	426,106	-
Deferred OPEB costs	100,284	-
Total deferred outflows of resources	526,390	-
Liabilities		
Current liabilities:		
Accounts payable	39,031	30,777
Due to other governmental units	78,699	-
Accrued liabilities and other	36,379	102,282
Provision for compensated absences (Note 9)	-	330,615
Bond and leases payable (Note 9)	98,729	-
Total current liabilities	252,838	463,674
Noncurrent liabilities:		
Provision for compensated absences - Net of current portion (Note 9)	-	2,975,540
Net pension liability (Note 11)	1,455,485	-
Net OPEB liability (Note 11)	62,845	-
Bonds and leases payable - Net of current portion (Note 9)	1,227,832	-
Total liabilities	2,999,000	3,439,214
Deferred Inflows of Resources (Note 11)		
Revenue in support of pension contributions made subsequent to the report date	106,326	-
Deferred pension cost reductions	30,243	-
Deferred OPEB cost reductions	178,846	-
Total deferred inflows of resources	315,415	-
Net Position (Deficit)		
Net investment in capital assets	13,172	-
Unrestricted	(806,230)	2,601,114
Total net position (deficit)	\$ (793,058)	\$ 2,601,114

Proprietary Funds
Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2023

	<u>Production Print Enterprise Fund</u>	<u>Internal Service Fund</u>
Operating Revenue		
Charges for services	\$ 2,010,170	\$ -
Charges to other funds	-	8,601,114
Other	<u>25,060</u>	<u>-</u>
Total operating revenue	2,035,230	8,601,114
Operating Expenses		
Claims, reinsurance, and administrative fees - Health, dental, vision, and other	-	8,339,935
Severance/Compensated absence	-	254,087
Production print operations	1,974,122	-
Depreciation and amortization	<u>152,923</u>	<u>-</u>
Total operating expenses	<u>2,127,045</u>	<u>8,594,022</u>
Operating (Loss) Income	(91,815)	7,092
Nonoperating Revenue - Interest income	<u>15,894</u>	<u>140,286</u>
Change in Net Position	(75,921)	147,378
Net Position (Deficit) - Beginning of year	<u>(717,137)</u>	<u>2,453,736</u>
Net Position (Deficit) - End of year	<u><u>\$ (793,058)</u></u>	<u><u>\$ 2,601,114</u></u>

**Proprietary Funds
Statement of Cash Flows**

Year Ended June 30, 2023

	<u>Production Print Enterprise Fund</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activities		
Receipts from customers	\$ 1,956,263	\$ -
Receipts from other funds	-	8,586,525
Payments for production print operations	(2,028,051)	-
Payments to other funds	<u>-</u>	<u>(8,801,877)</u>
Net cash used in operating activities	(71,788)	(215,352)
Cash Flows Used in Financing Activities - Payment on lease liability	(83,586)	-
Cash Flows Provided by Investing Activities - Interest received on investments	<u>15,894</u>	<u>140,286</u>
Net Decrease in Cash	(139,480)	(75,066)
Cash - Beginning of year	<u>478,702</u>	<u>6,100,805</u>
Cash - End of year	<u><u>\$ 339,222</u></u>	<u><u>\$ 6,025,739</u></u>
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities		
Operating (loss) income	\$ (91,815)	\$ 7,092
Adjustments to reconcile operating (loss) income to net cash from operating activities:		
Depreciation and amortization expense	152,923	-
Changes in assets and liabilities:		
Receivables	(53,907)	(14,589)
Inventories and prepaids	(8,204)	-
Accounts payable	(13,877)	(11,109)
Due to other governmental units	(31,592)	-
Net pension or OPEB liability	586,698	-
Deferrals related to pension or OPEB	(611,758)	-
Accrued and other liabilities	(256)	(75,836)
Accrued benefits	<u>-</u>	<u>(120,910)</u>
Total adjustments	<u>20,027</u>	<u>(222,444)</u>
Net cash used in operating activities	<u><u>\$ (71,788)</u></u>	<u><u>\$ (215,352)</u></u>

Oakland Schools

Fiduciary Fund Statement of Fiduciary Net Position

June 30, 2023

Custodial Fund

Assets

Cash (Note 4)

\$ 93,106

Receivables - Due from other governments

200

Net Position - Unrestricted

\$ 93,306

Fiduciary Fund
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2023

	<u>Custodial Fund</u>
Additions - Dues and contributions	\$ 26,311
Deductions - Disbursements for activities	<u>45,634</u>
Net Decrease in Fiduciary Net Position	(19,323)
Net Position - Beginning of year	<u>112,629</u>
Net Position - End of year	<u>\$ 93,306</u>

June 30, 2023**Note 1 - Nature of Business**

Oakland Schools (the "School District") is an educational service agency in the state of Michigan that provides a broad spectrum of services and support to various school districts within Oakland County, Michigan (the "County"). The School District also provides direct special educational and vocational educational services at several sites throughout the County. The School District is responsible for compliance monitoring, professional development, grant management, a wide array of reporting functions, and many more support services for its constituent districts.

Note 2 - Significant Accounting Policies***Accounting and Reporting Principles***

The School District follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the School District:

Reporting Entity

The County elected its first county commissioner of schools (the "Commissioner") in 1923. The Commissioner had oversight of 175 districts in the County. In 1941, the residents of the County, under the authority of Public Act (P.A.) 117 of 1935, elected the County's first county school board. On March 28, 1963, the county district became a public corporation under P.A. 190 of 1962, formally establishing the Oakland Intermediate School District (Oakland Schools). The School District is not included in any other governmental reporting entity since the School District's Board of Education members are elected by local school boards and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. This report includes all activities of the School District and all activities considered to be controlled by the Board of Education. In accordance with government accounting principles, no component units are required to be reported within these financial statements.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue 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 statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between business-type activities and various other functions. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

June 30, 2023**Note 2 - Significant Accounting Policies (Continued)**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements.

Fund Accounting

The School District accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the School District to show the particular expenditures for which specific revenue is used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. The School District reports the following funds as major governmental funds:

- The General Education Fund is used to account for the general operations of the School District pertaining to support services and those operations not provided for in another fund.
- The Special Education Fund is used to account for all revenue and expenditures related to the School District's operation of special education programs, including transfers to its constituent districts for the operation of local special education programs. The primary revenue sources are local tax millages and state and federal special education grants.
- The Vocational Education Fund is used to account for all revenue and expenditures related to the School District's operation of vocational education programs, including transfers to its constituent districts for the operation of local vocational education center programs. The primary revenue sources are countywide tax millages, as well as state and federal vocational education grants.
- The CFE Campus Renovations Capital Projects Fund is used to record transactions associated with capital asset acquisition, renovation, or improvement at the four vocational education technical campuses. The fund arose from operating transfers from the General Education and Vocational Education funds in the current and previous years.

Additionally, the School District reports the following nonmajor governmental fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. Any operating deficit generated by these activities is the responsibility of the General Education Fund. The nonmajor special revenue funds maintained by the School District are as follows:

- The Shared Services and Tuition Programs Cooperative Activities Fund is used to provide noninstructional services to constituent districts on a cost-recovery basis. This fund also contains the activities of two tuition-based programs:
 - Virtual Learning Academy Consortium K-8 (VLAC K-8) and Virtual Learning Academy Consortium 9-12 (VLAC 9-12) - These programs are tuition-based virtual school programs for children in kindergarten through 8th grade and 9th through 12th grades, respectively.
 - Oakland Accelerated College Experience (Oakland ACE) - Oakland ACE is a tuition-based early college program for students in participating Oakland County districts.

June 30, 2023**Note 2 - Significant Accounting Policies (Continued)**

- The Oakland Network for Education (ONE) Cooperative Activities Fund is used to provide services through advanced voice, video, and data network infrastructure in order to build a stronger learning community within the Oakland Schools boundaries. Its primary revenue source is fees earned by Oakland Schools through the fee-for-service program.
- The Medicaid Cooperative Activities Fund is used to account for all Medicaid billing operations. The Medicaid School Based Services program is cofunded by the state and federal governments and reimburses schools for some of the costs related to providing health care services to children of low-income families.
- The HR/Finance Consortium Cooperative Activities Fund is a collaborative effort between Oakland Schools and 21 local school districts for a new financial/human resources software business application. Participating districts pay a per student fee to Oakland Schools, which will in turn pay the vendor for conversion costs, software maintenance agreements, etc.
- The School Activities Fund is used to account for all student and other group activities managed by the School District. Revenue sources for the School Activities Fund include fundraising revenue and donations earned and received by student or other groups over which the School District exercises administrative control.

Capital projects funds are established for the Administration Building Capital Projects Fund and the Career Connections Facility Capital Projects Fund. Each of these funds is utilized to record transactions associated with capital asset acquisition, renovation, or improvement.

Debt service funds are used to record interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

- The Qualified School Construction Bond (QSCB) Debt Service Fund is used to record transfers from the General Education, Special Education, ONE Cooperative Activities, and capital projects funds in order to defease the QSCB debt and provide annual transfers to a QSCB reserve fund established in fiscal year 2011. The QSCB Reserve Debt Service Fund is used to pay the required debt service payments.
- The 2016 Refunding Bonds Debt Service Fund is used to account for the advance refunding of the 2007 bonds and will contain transfers from the Vocational Education Fund to be used to pay debt principal and interest on outstanding bond obligations.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the School District).

The Production Print Enterprise Fund is used to report activities for which there is a fee to external users for goods and services. The results of the Production Print Enterprise Fund are included in business-type activities in the statement of net position and statement of activities.

The School District's internal service fund accounts for all of the School District's insurance programs and employee compensated absences provided to other funds of the School District on a cost-reimbursement basis and provides a claims fluctuation reserve for future insurance liabilities. All revenue and expenses not meeting these definitions are reported as nonoperating revenue and expenses.

June 30, 2023**Note 2 - Significant Accounting Policies (Continued)****Fiduciary Funds**

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the School District's programs. The School District maintains a custodial fund to record the transactions of administrative groups. The funds are segregated and are held for the groups.

Interfund Activity

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, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, 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, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the School District has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the School District considers amounts collected within 60 days of year end to be available for recognition. Revenue not meeting this definition is classified as a deferred inflow of resources.

Proprietary funds and fiduciary funds, as applicable, use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions**Cash and Investments**

Cash and investments include cash on hand, demand deposits, and highly liquid investments with a maturity of less than three months when acquired. Investments are stated at fair value, except for investments in external investment pools, which are valued at amortized cost or net asset value.

June 30, 2023

Note 2 - Significant Accounting Policies (Continued)**Inventories and Prepaid Items**

Inventories consist primarily of instructional materials and are valued at cost, determined on the basis of average cost. Enterprise fund-type inventories are recorded as expenditures when sold. Inventories are recorded on the consumption method.

Payments made for services that will benefit periods beyond June 30, 2023 are recorded as prepaid expenditures. Prepaid expenditures recorded in the governmental fund types do not reflect current appropriable resources, and, thus, an equivalent portion of fund balance is considered nonspendable. Prepaid expenditures are recorded on the consumption method.

Restricted Assets

Restricted assets on the statement of net position and the governmental funds balance sheet represent the cash associated with the Qualified School Construction Bonds and can only be used for the purpose for which the bonds were issued and to service the associated debt.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column 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. Additionally, the School District capitalizes building improvements of \$50,000 or more. Routine repairs and maintenance are charged to operating expenses in the year in which the expense was incurred. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated or amortized using the straight-line method over the following useful lives:

	Depreciable/ Amortizable Life - Years
Buildings	50
Building improvements	20
Equipment	5-10
Furniture	10
Vehicles other than buses	7
Lease assets - Building	2-13
Lease assets - Vehicle	5

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses.

Note 2 - Significant Accounting Policies (Continued)**Leases**

The School District is a lessee for noncancelable leases of office space and a vehicle. The School District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental or business-type activities column in the government-wide financial statements. The School District recognizes lease assets and liabilities with an initial value of \$5,000 or more.

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

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

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The School District reports deferred outflows related to deferred charges on refundings and deferred pension and OPEB plan costs.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Note 2 - Significant Accounting Policies (Continued)

The School District reports deferred inflows related to revenue in support of pension contributions made subsequent to the measurement date and deferred pension and OPEB plan cost reductions. The other deferred inflows reported related to unavailable revenue, which arises only under the modified accrual basis of accounting and is, therefore, reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

Net position of the School District is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and amortization and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The School District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements (as applicable), 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.

Fund Balance Flow Assumptions

The School District will sometimes 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. Furthermore, 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 nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The School District 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 passing a resolution prior to the end of the fiscal year, commit fund balance. Once passed, the limitation imposed by the resolution remains in place until a similar action is taken (the passing of another resolution) to remove or revise the limitation.

June 30, 2023

Note 2 - Significant Accounting Policies (Continued)

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The School District has, by resolution, authorized the superintendent 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 exist only 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.

The fund balance policy prescribes the minimum fund balance as 7.5-12.5 percent of expected operating expenditures in the General Education Fund and Vocational Education Fund and 5-10 percent of expected operating expenditures less payments to local school districts in the Special Education Fund. This is deemed to be the prudent amount to maintain the School District's ability to meet obligations as they come due throughout the year.

Property Tax Revenue

Real and personal properties are assessed as of December 31, and the related property taxes are levied and become a lien on July 1 of the following year for the portion of the taxes that is due on September 14 and on December 1 for the remainder of the property taxes that is due on February 14. The final collection date is February 28, after which they are added to the county tax rolls. The available period for property tax revenue recognition in the governmental fund financial statements is limited to 60 days.

The delinquent real property taxes of the School District are purchased by the County of Oakland, Michigan. The County of Oakland, Michigan intends to sell tax notes, the proceeds of which will be used to pay the School District for these property taxes. These taxes have been recorded as revenue for the current year.

Grants and Contributions

The School District receives federal, state, and local grants, as well as contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue and expenses.

Pension and Other Postemployment Benefit (OPEB) Plans

For the purpose of measuring the net pension and net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to each plan, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related plan investments are reported at fair value.

June 30, 2023

Note 2 - Significant Accounting Policies (Continued)**Compensated Absences (Vacation and Sick Leave)**

Unused vacation time accumulates up to a maximum level until termination of employment. Upon termination of employment, the School District pays out the employee's accumulated vacation days at his or her current per diem. Employees accumulate sick leave at a rate of 13 days per year. It is the policy of Oakland Schools that, upon resignation or retirement with 90 days' notice, an employee shall be paid separation at \$70.00 per day for all sick days accumulated up to 100 days and half of his or her unused accumulated sick leave at the rate of \$35.00 per day for days accumulated over 100 days. Without 90 days' notice, an employee is paid half of his or her unused accumulated sick leave at the rate of \$35.00 per day.

The liability for compensated absences reported in the proprietary and government-wide statements consists of unpaid, accumulated vacation, and sick leave balances.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds is charges to customers for sales or services. Operating expenses for these funds include the cost of sales or services and administrative expenses and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncement

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2025.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 17, 2023, which is the date the financial statements were available to be issued.

June 30, 2023

Note 3 - Stewardship, Compliance, and Accountability***Budgetary Information***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Education Fund and all special revenue funds except that operating transfers have been included in the revenue and expenditures categories rather than as other financing sources (uses), and capital outlay expenditures are included in the functional categories to which they relate in accordance with the adopted budget of the School District. All annual appropriations lapse at fiscal year end. The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year. There are no encumbrances outstanding at year end.

Excess of Expenditures Over Appropriations in Budgeted Funds

The School District did not have significant expenditure budget variances.

Fund Deficit

Under Michigan law, school districts are required to maintain positive fund balance in each fund. The School District has an accumulated net position deficit in the Print Production Enterprise Fund. The deficit in the Print Production Enterprise Fund is due to the inclusion of the Print Production Enterprise Fund's proportionate share of the net pension and net OPEB liabilities and will be eliminated through future required contributions to the Michigan Public School Employees' Retirement System.

Note 4 - Deposits and Investments

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, certificates of deposit, commercial paper rated prime at the time of purchase that matures no more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

The School District has designated three banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs but not the remainder of state statutory authority, as listed above.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost, except for a 1-day minimum investment period on MILAF cash management funds and a 14-day redemption limitation on MILAF MAX Class funds.

The investment policy adopted by the board additionally requires the investment officer to obtain bids from at least two brokers or financial institutions on all purchases of investment instruments on the secondary market.

June 30, 2023

Note 4 - Deposits and Investments (Continued)

The School District's cash and investments are subject to several types of risk, which are examined below in more detail:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level for custodial credit risk be used for the School District's deposits. At year end, the School District had bank deposits totaling \$52,673,494 (checking and savings accounts) that were uninsured and uncollateralized. The School District believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Custodial Credit Risk of Investments

Custodial credit risk 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's investment policy states that custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law and by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. At June 30, 2023, the School District does not have investments with custodial credit risk, as all investments were held directly by the School District.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy adopted by the board minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools; and limiting the average maturity in accordance with the School District's cash requirements.

At year end, the School District had the following investments:

Investment	Value	Average Maturity (Years)
Primary Government		
MILAF Term Series	\$ 33,800,000	0.06 - 0.22
U.S. government agency securities	1,964,580	0.60
Resolution Funding Corporation STRIPS	5,209,852	3.79
U.S. Treasury STRIPS	5,354,747	0.63 - 3.63
U.S. Treasury notes	1,220,766	3.84
Total	<u>\$ 47,549,945</u>	

June 30, 2023

Note 4 - Deposits and Investments (Continued)***Credit Risk***

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices. At June 30, 2023, the School District had no investments in commercial paper, held by an agent in the School District's name. As of year end, the credit quality ratings of investments are as follows:

Investment	Value	Rating	Rating Organization
Primary Government			
U.S. Treasury STRIPS	\$ 5,354,747	AA+	Standard & Poor's
U.S. government agency securities	1,964,580	AA+	Standard & Poor's
U.S. Treasury notes	1,220,766	AA+	Standard & Poor's
Resolution Funding Corporation STRIPS	5,209,852	AA+	Standard & Poor's
MILAF - Cash management and MAX Classes	27,026,448	AAAm	Standard & Poor's
MILAF - Term Series	33,800,000	AAAf	Fitch
Total	<u>\$ 74,576,393</u>		

Concentration of Credit Risk

The School District places no limit on the amount the School District may invest in any one issuer. The School District's policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The investments in Resolution Funding Corporation STRIPS represent investments approximately equal to 7.0 percent of investments.

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School District's investment policy prohibit investments in foreign currency.

Note 5 - Fair Value Measurements

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The School District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Note 5 - Fair Value Measurements (Continued)

The School District has the following fair value measurements as of June 30, 2023:

	Significant Other Observable Inputs (Level 2)
Available-for-sale debt securities:	
U.S. Treasury STRIPS	\$ 5,354,747
U.S. governmental agency securities	1,964,580
U.S. Treasury notes	1,220,766
Resolution Funding Corporation STRIPS	5,209,852
	<hr/>
Total available-for-sale debt securities	\$ 13,749,945

Investments in Entities that Calculate Net Asset Value per Share

The School District holds shares in the Michigan Liquid Asset Fund Term Series where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

As of June 30, 2023, the net asset value of the School District's investment in the MILAF Term Series was \$33,800,000 and matures at various times between July and September 2023. The investment pool had no unfunded commitments. The MILAF Term Series allows for the School District to set a specific redemption date upon initiation of the investment. Early redemptions are permitted, but an early redemption fee would apply.

The MILAF Term Series includes investments that the School District does not control. The investment pool invests primarily in high-quality money market instruments, including certificates of deposit, commercial paper, and U.S. government and agency obligations, to protect the investment principal and provide liquidity.

Note 6 - Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned. At June 30, 2023, the School District had approximately \$144,000 of unavailable revenue, primarily related to amounts due from other governmental units not received timely, and approximately \$14,099,000 of unearned revenue, primarily related to grant and categorical aid payments received prior to meeting all eligibility requirements.

June 30, 2023

Note 7 - Capital Assets

Capital asset activity of the School District's governmental and business-type activities was as follows:

Governmental Activities

	Balance July 1, 2022	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital assets not being depreciated or amortized - Land	\$ 3,410,122	\$ -	\$ (121,344)	\$ 3,288,778
Capital assets being depreciated or amortized:				
Buildings	27,088,030	-	(824,916)	26,263,114
Furniture and equipment	37,361,899	834,805	(35,403)	38,161,301
Vehicles other than buses	780,970	-	-	780,970
Building improvements	93,832,822	504,205	(1,765,153)	92,571,874
Lease assets - Building	2,172,100	-	-	2,172,100
Lease assets - Vehicle	994,040	-	-	994,040
Subtotal	162,229,861	1,339,010	(2,625,472)	160,943,399
Accumulated depreciation and amortization:				
Buildings	11,078,747	509,140	(182,856)	11,405,031
Furniture and equipment	30,359,990	1,494,390	(34,369)	31,820,011
Vehicles other than buses	726,611	35,094	-	761,705
Building improvements	46,600,741	3,085,820	(711,102)	48,975,459
Accumulated amortization - Lease assets - Building	217,146	212,154	-	429,300
Accumulated amortization - Lease assets - Vehicle	198,808	198,808	-	397,616
Subtotal	89,182,043	5,535,406	(928,327)	93,789,122
Net capital assets being depreciated and amortized	73,047,818	(4,196,396)	(1,697,145)	67,154,277
Net governmental activities capital assets	<u>\$ 76,457,940</u>	<u>\$ (4,196,396)</u>	<u>\$ (1,818,489)</u>	<u>\$ 70,443,055</u>

Business-type Activities

	Balance July 1, 2022	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital assets being depreciated or amortized:				
Furniture and equipment	\$ 1,612,070	\$ -	\$ -	\$ 1,612,070
Lease assets - Building	1,489,744	-	-	1,489,744
Subtotal	3,101,814	-	-	3,101,814
Accumulated depreciation and amortization:				
Furniture and equipment	1,495,292	39,056	-	1,534,348
Accumulated amortization - Lease assets - Building	113,866	113,867	-	227,733
Subtotal	1,609,158	152,923	-	1,762,081
Net business-type activities capital assets	<u>\$ 1,492,656</u>	<u>\$ (152,923)</u>	<u>\$ -</u>	<u>\$ 1,339,733</u>

June 30, 2023**Note 7 - Capital Assets (Continued)**

Depreciation and amortization expense was not charged to activities, as the School District's assets benefit multiple activities, and allocation is impractical.

Note 8 - Interfund Transfers

Interfund transfers reported in the fund financial statements are composed of the following:

The General Education Fund transferred \$613,400 to the ONE Cooperative Activities Fund to provide resources for projects.

The General Education Fund transferred \$25,000 to the HR/Finance Consortium Cooperative Activities Fund to provide resources for projects.

The General Education Fund transferred \$8,100,000 to the capital projects funds to provide resources for capital projects.

The Special Education Fund transferred \$6,600 to the ONE Cooperative Activities Fund to provide resources for projects.

The Special Education Fund transferred \$12,500 to the HR/Finance Consortium Cooperative Activities Fund to provide resources for projects.

The Special Education Fund transferred \$192,000 to the capital projects funds to provide resources for capital projects.

The Vocational Education Fund transferred \$8,308,000 to the capital projects funds to provide resources for capital projects.

The Vocational Education Fund transferred \$1,800,000 to the debt service funds to provide resources for debt service.

The Vocational Education Fund transferred \$6,600 to the ONE Cooperative Activities Fund to provide resources for projects.

The Vocation Education Fund transferred \$12,500 to the HR/Finance Consortium Cooperative Activities Fund to provide resources for projects.

The QSCB Debt Service Fund transferred \$770,000 to the QSCB Reserve Debt Service Fund to provide for annual set-aside requirements and debt service.

The Career Connections Facility Capital Projects Fund transferred \$521,478 to the General Education Fund to return resources provided for capital projects.

The Shared Services and Tuition Programs Cooperative Activities Fund transferred \$263,786 to the General Education Fund to transfer indirect costs earned on shared services.

The HR/Finance Consortium Cooperative Activities Fund transferred \$104,000 to the General Education Fund for technology hosting services.

The HR/Finance Consortium Cooperative Activities Fund transferred \$100,000 to the ONE Cooperative Activities Fund to return resources provided for the startup of a new program.

June 30, 2023

Note 9 - Long-term Debt

Long-term debt activity for the year ended June 30, 2023 can be summarized as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Other debt - General obligation bonds payable:	\$ 41,070,000	\$ -	\$ (1,395,000)	\$ 39,675,000	\$ 1,460,000
Unamortized bond premiums	2,436,178	-	(174,012)	2,262,166	174,013
Total bonds payable	43,506,178	-	(1,569,012)	41,937,166	1,634,013
Leases	2,812,118	-	(363,046)	2,449,072	334,907
Compensated absences	3,427,065	273,522	(394,432)	3,306,155	330,615
Total governmental activities long-term debt	<u>\$ 49,745,361</u>	<u>\$ 273,522</u>	<u>\$ (2,326,490)</u>	<u>\$ 47,692,393</u>	<u>\$ 2,299,535</u>

Business-type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Leases	\$ 1,410,147	\$ -	\$ (83,586)	\$ 1,326,561	\$ 98,729

The School District had deferred outflows of \$388,617 related to deferred charges on bond refundings at June 30, 2023. Amortization of deferred charges on bond refundings totaled \$29,893 during the year.

General Obligation Bonds and Contracts

The School District issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligations have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. General obligations outstanding at June 30, 2023 are as follows:

Purpose	Remaining Annual Installments	Interest Rates	Maturing	Outstanding
\$30,695,000 general obligation bonds (2016)	\$1,460,000 - \$2,345,000	3%-5%	2036	\$ 24,875,000
\$14,800,000 general obligation bonds (2010)	14,800,000	6.25%*	2027	14,800,000
Total governmental activities				<u>\$ 39,675,000</u>

*The interest payments made each year by the School District, through maturity, will be subsidized by the federal government (as shown below in the debt service requirements table).

Other Long-term Liabilities

Other long-term obligations consist of compensated absences of unpaid, accumulated vacation, and sick leave balances. These amounts are paid for by the internal service fund and are funded by charges to the respective fund to which the eligible employee's compensation is charged.

See Note 10 for further information on lease liabilities.

June 30, 2023

Note 9 - Long-term Debt (Continued)***Pension and OPEB Liabilities***

See Note 11 for further information regarding these liabilities. The net pension liability increased by \$66,519,030 from \$119,036,550 as of June 30, 2022 to \$185,555,580 as of June 30, 2023. The net OPEB liability increased by \$2,494,430 from \$7,663,639 as of June 30, 2022 to \$10,158,069 as of June 30, 2023.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds are as follows:

Years Ending June 30	Governmental Activities			
	Principal	Interest	Maximum Interest Subsidy	Total - Net
2024	\$ 1,460,000	\$ 1,926,900	\$ (800,680)	\$ 2,586,220
2025	1,535,000	1,853,900	(800,680)	2,588,220
2026	1,610,000	1,777,150	(800,680)	2,586,470
2027	16,490,000	1,696,650	(800,680)	17,385,970
2028	1,775,000	687,150	-	2,462,150
2029-2033	10,030,000	2,410,000	-	12,440,000
2034-2036	6,775,000	643,500	-	7,418,500
Total	<u>\$ 39,675,000</u>	<u>\$ 10,995,250</u>	<u>\$ (3,202,720)</u>	<u>\$ 47,467,530</u>

Note 10 - Leases

The School District leases certain facilities and vehicles from various third parties. Payments are generally fixed monthly with certain variable payments not included in the measurement of the lease liability.

Lease asset activity of the School District is included in Note 7.

Future principal and interest payment requirements related to the School District's lease liability at June 30, 2023 are as follows:

Years Ending	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2024	\$ 334,907	\$ 80,403	\$ 98,729	\$ 44,874	\$ 558,913
2025	348,372	68,442	103,367	41,327	561,508
2026	360,763	56,052	107,043	37,650	561,508
2027	153,079	46,736	110,850	33,843	344,508
2028	158,524	41,291	114,793	29,900	344,508
2029-2033	881,310	117,763	638,190	85,277	1,722,540
2034-2037	212,117	4,356	153,589	3,155	373,217
Total	<u>\$ 2,449,072</u>	<u>\$ 415,043</u>	<u>\$ 1,326,561</u>	<u>\$ 276,026</u>	<u>\$ 4,466,702</u>

Note 11 - Michigan Public School Employees' Retirement System***Plan Description***

The School District participates in the Michigan Public School Employees' Retirement System (the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. Certain school district employees also receive defined contribution retirement and health care benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment health care benefits to retirees and beneficiaries who elect to receive those benefits.

The System is administered by the Office of Retirement Services (ORS). The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>.

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care 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 pension plan and the postemployment health care plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of services times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced by 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Depending on the member's date of hire, MPSERS offers the option of participating in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Members are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation, with an increase of 2 percent each year thereafter.

Benefits may transfer to a beneficiary upon death and are determined in the same manner as retirement benefits but with an actuarial reduction.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. Some members who do not receive an annual increase are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

MPSERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS, with the balance deducted from the monthly pension of each retiree health care recipient. Depending on the member's date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

Note 11 - Michigan Public School Employees' Retirement System (Continued)

Contributions

Public Act 300 of 1980, as amended, required the School District to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the state Legislature. Under these provisions, each school district's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Under the OPEB plan, retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits. Participating employers are required to contribute at that rate.

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to the retiree health care 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 participants in the Personal Healthcare Fund (PHF), a portable tax-deferred fund that can be used to pay health care expenses in retirement. Participants in the PHF are automatically enrolled in a 2 percent employee contribution into their 457 accounts as of their transition date, earning them a 2 percent employer match into a 401(k) account. Members who selected this option stopped paying the 3 percent contribution to retiree health care as of the day before their transition date, and their prior contributions were deposited into their 401(k) accounts.

The School District's contributions are determined based on employee elections. There are multiple different pension and health care benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

The ranges of rates are as follows:

	Pension	OPEB
October 1, 2021 - September 30, 2022	13.73% - 20.14%	7.23% - 8.09%
October 1, 2022 - September 30, 2023	13.75% - 20.16%	7.21% - 8.07%

Depending on the plan selected, member pension contributions range from 0 percent up to 7.0 percent of gross wages. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

The School District's required and actual pension contributions to the plan for the year ended June 30, 2023 were \$22,531,284, which includes the School District's contributions required for those members with a defined contribution benefit. For the year ended June 30, 2023, the School District's required and actual pension contributions include an allocation of \$8,233,081 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate, as well as \$4,794,847 of a one-time state payment received and remitted to the System for the purpose of contributing additional assets to the System.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2023 were \$3,964,932, which includes the School District's contributions required for those members with a defined contribution benefit.

June 30, 2023

Note 11 - Michigan Public School Employees' Retirement System (Continued)***Net Pension Liability***

At June 30, 2023, the School District reported a liability of \$185,555,580 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2021, which used update procedures to roll forward the estimated liability to September 30, 2022. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2022 and 2021, the School District's proportion was 0.49 and 0.50 percent, respectively, representing a change of (1.87) percent.

Net OPEB Liability

At June 30, 2023, the School District reported a liability of \$10,158,069 for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2023 was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2021, which used update procedures to roll forward the estimated liability to September 30, 2022. The School District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2022 and 2021, the School District's proportion was 0.48 and 0.50 percent, respectively, representing a change of (4.48) percent.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For 2023, the School District recognized pension expense of \$21,393,393, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,856,203	\$ (414,883)
Changes in assumptions	31,885,098	-
Net difference between projected and actual earnings on pension plan investments	435,128	-
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	-	(3,888,967)
The School District's contributions to the plan subsequent to the measurement date	19,839,463	-
Total	<u>\$ 54,015,892</u>	<u>\$ (4,303,850)</u>

The \$13,027,928 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ending June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2024	\$ 8,225,251
2025	5,954,579
2026	5,313,349
2027	10,379,400
Total	<u>\$ 29,872,579</u>

June 30, 2023

Note 11 - Michigan Public School Employees' Retirement System (Continued)

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the School District recognized OPEB recovery of \$4,189,063.

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (19,895,765)
Changes in assumptions	9,054,213	(737,246)
Net difference between projected and actual earnings on OPEB plan investments	793,933	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	194,892	(1,904,604)
Employer contributions to the plan subsequent to the measurement date	2,755,926	-
Total	<u>\$ 12,798,964</u>	<u>\$ (22,537,615)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense):

Years Ending	Amount
2024	\$ (4,162,018)
2025	(3,856,373)
2026	(3,449,154)
2027	(544,962)
2028	(430,550)
Thereafter	(51,520)
Total	<u>\$ (12,494,577)</u>

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2022 are based on the results of an actuarial valuation as of September 30, 2021 and rolled forward. The total pension liability and OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.00%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75%
Health care cost trend rate - OPEB	5.25% - 7.75%	Year 1 graded to 3.5% in year 15, 3.0% in year 120
Mortality basis		RP-2014 Male and Female Employee Annuitant Mortality tables, scaled 100% (retirees: 82% for males and 78% for females) and adjusted for mortality improvements using projection scale MP-2017 from 2006
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

June 30, 2023

Note 11 - Michigan Public School Employees' Retirement System (Continued)

Assumption changes as a result of an experience study for the periods from 2012 to 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2018 valuation.

Significant assumption changes since the prior measurement date, September 30, 2021, for the OPEB plan include a decrease in the discount rate used in the September 30, 2022 measurement date by 0.80 percentage points in the pension plan and 0.95 percentage points in the OPEB plan. The investment rate of return used in the September 30, 2022 measurement date decreased by 0.80 percentage points in the pension plan and 0.95 percentage points in the OPEB plan. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2021.

Discount Rate

The discount rate used to measure the total pension and OPEB liability was 6.00 percent as of September 30, 2022. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability.

The long-term expected rate of return on pension plan and OPEB 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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.00 %	5.10 %
Private equity pools	16.00	8.70
International equity pools	15.00	6.70
Fixed-income pools	13.00	(0.20)
Real estate and infrastructure pools	10.00	5.30
Absolute return pools	9.00	2.70
Short-term investment pools	10.00	5.80
Real return/opportunistic pools	2.00	(0.50)
Total	100.00 %	

June 30, 2023

Note 11 - Michigan Public School Employees' Retirement System (Continued)

Long-term rates of return are net of administrative expense and inflation of 2.2 percent.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the School District, calculated using the discount rate depending on the plan option. The following also reflects what the School District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net pension liability of the School District	\$ 244,864,431	\$ 185,555,580	\$ 136,682,416

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the School District, calculated using the current discount rate. It also reflects what the School District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB liability of the School District	\$ 17,039,183	\$ 10,158,069	\$ 4,363,317

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the School District, calculated using the current health care cost trend rate. It also reflects what the School District's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Rate	1 Percentage Point Increase
Net OPEB liability of the School District	\$ 4,253,713	\$ 10,158,069	\$ 16,785,825

Pension Plan and OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension Plan and OPEB Plan

At June 30, 2023, the School District reported a payable of \$3,070,278 and \$283,420 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2023.

Note 12 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for property loss, employee medical benefits, workers' compensation, dental and vision, and errors and omissions; the School District is partially insured for the unemployment benefits provided to employees. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

June 30, 2023

Note 12 - Risk Management (Continued)

Vision and Dental - The self-insured vision and dental plans covered substantially all employees and their dependents. Claims are funded by the School District and paid by the plan administrator. The School District paid all administrative costs of the plan. As of January 1, 2022, the School District switched to premium-based plans for vision and dental. Total costs for such benefits were approximately \$680,600 for the year ended June 30, 2023.

Unemployment - The School District is self-insured for unemployment expenses. Claims are funded by the School District and paid by the plan administrator. The School District incurred approximately \$9,500 in unemployment expense for fiscal year 2023.

Workers' Compensation - The School District provides a workers' compensation plan that covers all employees. The premiums are paid for by the School District. During 2023, the premiums amounted to approximately \$30,000.

Medical - The School District provides medical insurance with certain copay features to substantially all employees. Some plans require that the employee pay a portion of the premium. During 2023, the premiums paid by the School District amounted to approximately \$6,472,500.

Property and General Liability - The School District is exposed to various risks of loss related to property loss and employee injuries. The School District has purchased insurance to cover losses to its buildings and contents in the amount of approximately \$199 million. The School District has a fleet of 29 licensed vehicles and trailers, which are included in the School District's auto liability coverage. The School District has commercial general and excess liability insurance coverage in the amount of \$11 million and cyber liability coverage in the amount of \$3 million.

There has not been a significant reduction in insurance coverage in the current year, and settlements have not exceeded coverage for each of the past three years for the risk management liabilities.

Provision for Uninsured Losses and Liabilities - The School District has established a reserve in the internal service fund for future uninsured losses and liabilities that may occur over time.

The School District estimates the liability for unemployment and vision and dental claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	2023	2022
Estimated liability - Beginning of year	\$ -	\$ 81,000
Estimated claims incurred, including changes in estimates	-	(81,000)

Note 13 - Contingencies

All funded projects established by the School District under federal, state, and local programs of education are subject to audit by the funding agency. No provision has been established in the financial statements for disallowed costs, if any, that might occur as a result of an audit by a funding agency. Any disallowed costs would become a liability of the School District; however, any such liability, in the opinion of management, is expected to be immaterial.

The School District, through its involvement in the Community Telecommunications Network (CTN), has agreed to sell excess capacity related to certain cellular phone towers. The agreement lasts for an extended period, and collections will be dependent upon collections by CTN from the sublessee. During the year ended June 30, 2023, the School District received approximately \$467,000, which is reported in the General Education Fund.

Additionally, during 2023, the School District received a one-time additional distribution of \$2.8 million, which is reported in the ONE Cooperative Activities Fund and will be used for a countywide fiber infrastructure project.

June 30, 2023

Note 14 - Tax Abatements

The School District receives reduced property tax revenue as a result of industrial facilities tax exemptions (PA 198 of 1974), brownfield redevelopment agreements, personal property tax exemptions under PA 328 of 1998, and payment in lieu of taxes (PILOT) agreements granted by cities, villages, and townships within the boundaries of the School District. 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; the personal property tax exemption allows specific businesses in distressed communities to file for exemption from paying tax on personal property; and PILOTs compensate local governments for some or all of the real estate tax revenue that is lost due to the waiver of that revenue.

For the fiscal year ended June 30, 2023, the School District's property tax revenue was reduced by approximately \$2,464,000 under these programs. The School District does not receive reimbursement for these amounts.

There are no abatements made by the School District.

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule - General Education Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 17,079,100	\$ 18,728,000	\$ 18,088,570	\$ (639,430)
State sources	42,901,400	70,206,700	58,548,583	(11,658,117)
Federal sources	6,710,600	11,122,600	4,547,015	(6,575,585)
Transfers and other revenue	794,300	3,221,800	3,234,663	12,863
Total revenue	67,485,400	103,279,100	84,418,831	(18,860,269)
Expenditures				
Current:				
Instruction	281,400	1,086,400	160,795	(925,605)
Support services:				
Pupil	1,015,400	2,555,900	658,077	(1,897,823)
Instructional staff	16,478,900	19,844,700	13,731,938	(6,112,762)
General administration	1,907,300	1,638,400	1,646,927	8,527
School administration	8,000	-	-	-
Business	1,036,800	1,021,800	1,008,897	(12,903)
Operations and maintenance	906,500	1,016,700	780,127	(236,573)
Pupil transportation services	1,544,500	1,970,800	1,417,112	(553,688)
Central	9,134,600	9,542,700	8,290,185	(1,252,515)
Other	1,007,400	854,600	749,384	(105,216)
Community services	2,013,600	1,947,300	1,044,020	(903,280)
Debt service	-	35,600	35,464	(136)
Interdistrict transfers and other	32,762,600	63,409,200	55,746,225	(7,662,975)
Total expenditures	68,097,000	104,924,100	85,269,151	(19,654,949)
Net Change in Fund Balance	(611,600)	(1,645,000)	(850,320)	794,680
Fund Balance - Beginning of year	6,971,059	6,971,059	6,971,059	-
Fund Balance - End of year	\$ 6,359,459	\$ 5,326,059	\$ 6,120,739	\$ 794,680

Oakland Schools

Required Supplementary Information Budgetary Comparison Schedules - Major Special Revenue Funds Special Education Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 163,847,300	\$ 168,257,800	\$ 168,063,001	\$ (194,799)
State sources	9,787,400	11,491,000	10,633,124	(857,876)
Federal sources	58,260,100	61,374,700	51,049,813	(10,324,887)
Transfers and other revenue	305,500	285,300	311,193	25,893
Total revenue	232,200,300	241,408,800	230,057,131	(11,351,669)
Expenditures				
Current:				
Instruction	1,500,000	408,400	339,708	(68,692)
Support services:				
Pupil	15,109,700	14,916,300	13,288,113	(1,628,187)
Instructional staff	3,686,900	3,575,800	3,271,936	(303,864)
General administration	925,700	797,000	794,633	(2,367)
Business	1,391,900	1,266,100	863,972	(402,128)
Operations and maintenance	600,600	408,200	400,461	(7,739)
Pupil transportation services	94,900	75,800	78,468	2,668
Central	5,669,800	5,463,800	5,102,765	(361,035)
Other	346,500	314,900	289,563	(25,337)
Community services	3,224,200	2,572,600	714,487	(1,858,113)
Debt service	-	177,100	160,561	(16,539)
Interdistrict transfers and other	199,587,700	215,097,900	199,408,144	(15,689,756)
Total expenditures	232,137,900	245,073,900	224,712,811	(20,361,089)
Net Change in Fund Balance	62,400	(3,665,100)	5,344,320	9,009,420
Fund Balance - Beginning of year	14,947,405	14,947,405	14,947,405	-
Fund Balance - End of year	\$ 15,009,805	\$ 11,282,305	\$ 20,291,725	\$ 9,009,420

Oakland Schools

Required Supplementary Information
 Budgetary Comparison Schedules - Major Special Revenue Funds
 (Continued)
 Vocational Education Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 40,411,100	\$ 42,192,800	\$ 41,880,720	\$ (312,080)
State sources	5,762,900	8,453,100	8,618,635	165,535
Federal sources	2,151,000	1,759,000	1,728,471	(30,529)
Transfers and other revenue	127,300	127,300	116,142	(11,158)
Total revenue	48,452,300	52,532,200	52,343,968	(188,232)
Expenditures				
Current:				
Instruction	18,016,800	17,471,100	17,026,491	(444,609)
Support services:				
Pupil	3,503,700	3,605,300	3,570,769	(34,531)
Instructional staff	3,397,700	3,293,900	3,233,306	(60,594)
General administration	1,089,600	1,002,300	1,013,967	11,667
School administration	2,642,600	2,725,700	2,705,434	(20,266)
Business	1,632,500	1,484,900	1,410,515	(74,385)
Operations and maintenance	4,044,400	4,256,100	4,176,922	(79,178)
Pupil transportation services	147,300	112,800	107,254	(5,546)
Central	6,264,400	5,866,800	5,811,515	(55,285)
Other	188,000	181,100	177,796	(3,304)
Debt service	-	218,600	218,529	(71)
Interdistrict transfers and other	7,515,100	13,215,100	13,134,757	(80,343)
Total expenditures	48,442,100	53,433,700	52,587,255	(846,445)
Net Change in Fund Balance	10,200	(901,500)	(243,287)	658,213
Fund Balance - Beginning of year	7,097,425	7,097,425	7,097,425	-
Fund Balance - End of year	\$ 7,107,625	\$ 6,195,925	\$ 6,854,138	\$ 658,213

Oakland Schools

Required Supplementary Information Schedule of Proportionate Share of the Net Pension Liability Michigan Public School Employees' Retirement System

	Last Nine Plan Years								
	Plan Years Ended September 30								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.49338 %	0.50279 %	0.50722 %	0.51448 %	0.51505 %	0.50550 %	0.47845 %	0.46070 %	0.43183 %
School District's proportionate share of the net pension liability	\$ 185,555,580	\$ 119,036,550	\$ 174,235,138	\$ 170,378,362	\$ 154,832,673	\$ 130,996,169	\$ 119,368,632	\$ 112,525,808	\$ 95,110,375
School District's covered payroll	\$ 46,518,009	\$ 45,322,447	\$ 44,854,132	\$ 44,790,381	\$ 44,265,616	\$ 43,162,651	\$ 41,134,535	\$ 38,484,732	\$ 36,808,094
School District's proportionate share of the net pension liability as a percentage of its covered payroll	398.89 %	262.64 %	388.45 %	380.39 %	349.78 %	303.49 %	290.19 %	292.39 %	258.40 %
Plan fiduciary net position as a percentage of total pension liability	60.77 %	72.32 %	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %	66.20 %

Oakland Schools

Required Supplementary Information Schedule of Pension Contributions Michigan Public School Employees' Retirement System

	Last Nine Fiscal Years Years Ended June 30								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 22,115,022	\$ 16,780,227	\$ 15,368,937	\$ 14,125,270	\$ 13,720,880	\$ 13,262,230	\$ 12,085,927	\$ 11,005,194	\$ 8,210,005
Contributions in relation to the statutorily required contribution	22,115,022	16,780,227	15,368,937	14,125,270	13,720,880	13,262,230	12,085,927	11,005,194	8,210,005
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 45,777,599	\$ 44,800,859	\$ 45,223,459	\$ 45,030,328	\$ 44,385,939	\$ 44,060,613	\$ 44,388,538	\$ 40,183,160	\$ 38,428,512
Contributions as a Percentage of Covered Payroll	48.31 %	37.46 %	33.98 %	31.37 %	30.91 %	30.10 %	27.23 %	27.39 %	21.36 %

Oakland Schools

Required Supplementary Information Schedule of Proportionate Share of the Net OPEB Liability Michigan Public School Employees' Retirement System

	Last Six Plan Years					
	Plan Years Ended September 30					
	2022	2021	2020	2019	2018	2017
School District's proportion of the net OPEB liability	0.47959 %	0.50208 %	0.50595 %	0.51234 %	0.51992 %	0.50477 %
School District's proportionate share of the net OPEB liability	\$ 10,158,069	\$ 7,663,639	\$ 27,104,973	\$ 36,774,468	\$ 41,328,273	\$ 44,699,757
School District's covered payroll	\$ 46,518,009	\$ 45,322,447	\$ 44,854,132	\$ 44,790,381	\$ 44,265,616	\$ 43,162,651
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	21.84 %	16.91 %	60.43 %	82.10 %	93.36 %	103.56 %
Plan fiduciary net position as a percentage of total OPEB liability	83.09 %	88.87 %	59.76 %	48.67 %	43.10 %	36.53 %

Oakland Schools

Required Supplementary Information Schedule of OPEB Contributions Michigan Public School Employees' Retirement System

	Last Six Fiscal Years Years Ended June 30					
	2023	2022	2021	2020	2019	2018
Statutorily required contribution	\$ 3,677,841	\$ 3,647,059	\$ 3,759,878	\$ 3,614,134	\$ 3,485,051	\$ 3,182,377
Contributions in relation to the statutorily required contribution	3,677,841	3,647,059	3,759,878	3,614,134	3,485,051	3,182,377
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 45,777,599	\$ 44,800,859	\$ 45,223,459	\$ 45,030,328	\$ 44,385,939	\$ 44,060,613
Contributions as a Percentage of Covered Payroll	8.03 %	8.14 %	8.31 %	8.03 %	7.85 %	7.22 %

June 30, 2023***Budgetary Information***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Education Fund and all special revenue funds except that operating transfers have been included in the revenue and expenditures categories rather than as other financing sources (uses), and capital outlay expenditures are included in the functional categories to which they relate in accordance with the adopted budget of the School District. Capital outlay is presented separately on the statement of revenue, expenditures, and changes in fund balances. All annual appropriations lapse at fiscal year end. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level (i.e., the level at which expenditures may not legally exceed appropriations).

Pension Information

Ultimately, 10 years of data will be presented in both of the pension-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

The required contributions for the year ended June 30, 2023 include a one-time contribution of \$4,794,847, referred to as 147c(2), related to funding received from the State and remitted to the System for the purpose of contributing additional assets to the System.

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of assumptions for each of the reported plan years ended September 30 except for the following:

- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.80 percentage points.
- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017.
- 2017 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

OPEB Information

Ultimately, 10 years of data will be presented in both of the OPEB-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

June 30, 2023**Changes in Assumptions**

There were no significant changes of assumptions for each of the reported plan years ended September 30 except for the following:

- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.95 percentage points. This resulted in a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.

- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.

- 2020 - The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points. This, in addition to actual per person health benefit costs being lower than projected, reduced the plan's total OPEB liability by an additional \$1.8 billion in 2020.

- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in a lower than projected per person health benefit cost to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.

- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in a lower than projected per person health benefit cost to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

Other Supplementary Information

Oakland Schools

Other Supplementary Information

Budgetary Comparison Schedules - Nonmajor Special Revenue Funds

Shared Services and Tuition Programs Cooperative Activities Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 17,843,500	\$ 14,122,400	\$ 14,655,624	\$ 533,224
State sources	1,386,900	2,272,400	2,131,968	(140,432)
Federal sources	-	3,300	9,970	6,670
Transfers in and other revenue	562,600	527,800	-	(527,800)
Total revenue	19,793,000	16,925,900	16,797,562	(128,338)
Expenditures				
Current:				
Instruction	4,909,100	3,712,900	3,753,327	40,427
Support services:				
Pupil	49,100	52,300	54,597	2,297
General administration	452,400	357,600	343,525	(14,075)
School administration	448,500	427,600	441,999	14,399
Business	1,238,000	875,900	817,300	(58,600)
Operations and maintenance	19,000	19,000	23,000	4,000
Central	11,677,800	12,422,000	12,310,923	(111,077)
Interdistrict transfers and other	368,300	316,700	316,286	(414)
Total expenditures	19,162,200	18,184,000	18,060,957	(123,043)
Net Change in Fund Balance	630,800	(1,258,100)	(1,263,395)	(5,295)
Fund Balance - Beginning of year	5,831,197	5,831,197	5,831,197	-
Fund Balance - End of year	<u><u>\$ 6,461,997</u></u>	<u><u>\$ 4,573,097</u></u>	<u><u>\$ 4,567,802</u></u>	<u><u>\$ (5,295)</u></u>

Oakland Schools

Other Supplementary Information Budgetary Comparison Schedules - Nonmajor Special Revenue Funds (Continued) ONE Cooperative Activities Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 613,400	\$ 3,718,200	\$ 3,775,578	\$ 57,378
Federal sources	-	-	65,069	65,069
Transfers and other revenue	726,600	726,600	726,600	-
Total revenue	1,340,000	4,444,800	4,567,247	122,447
Expenditures				
Current - Support services:				
Instructional staff	800,000	804,700	223,122	(581,578)
General administration	5,000	5,000	-	(5,000)
Central	389,500	425,500	401,994	(23,506)
Capital outlay	-	200,000	-	(200,000)
Total expenditures	1,194,500	1,435,200	625,116	(810,084)
Net Change in Fund Balance	145,500	3,009,600	3,942,131	932,531
Fund Balance - Beginning of year	10,069,536	10,069,536	10,069,536	-
Fund Balance - End of year	<u><u>\$ 10,215,036</u></u>	<u><u>\$ 13,079,136</u></u>	<u><u>\$ 14,011,667</u></u>	<u><u>\$ 932,531</u></u>

Oakland Schools

Other Supplementary Information Budgetary Comparison Schedules - Nonmajor Special Revenue Funds (Continued)

Medicaid Cooperative Activities Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 11,479,700	\$ 16,372,100	\$ 16,385,980	\$ 13,880
State sources	54,100	96,400	95,036	(1,364)
Federal sources	541,500	500,000	681,469	181,469
Total revenue	12,075,300	16,968,500	17,162,485	193,985
Expenditures				
Current - Support services:				
Operations and maintenance	35,500	6,100	7,098	998
Central	642,400	693,200	669,187	(24,013)
Debt service	-	24,400	24,446	46
Interdistrict transfers and other	11,397,400	16,241,400	16,459,899	218,499
Total expenditures	12,075,300	16,965,100	17,160,630	195,530
Net Change in Fund Balance	-	3,400	1,855	(1,545)
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u>\$ -</u>	<u>\$ 3,400</u>	<u>\$ 1,855</u>	<u>\$ (1,545)</u>

Oakland Schools

Other Supplementary Information Budgetary Comparison Schedules - Nonmajor Special Revenue Funds (Continued)

HR/Finance Consortium Cooperative Activities Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 1,121,000	\$ 1,143,600	\$ 1,147,385	\$ 3,785
State sources	94,700	134,700	144,056	9,356
Transfers and other revenue	50,000	50,000	50,000	-
Total revenue	1,265,700	1,328,300	1,341,441	13,141
Expenditures				
Support services - Central	1,109,500	1,057,300	985,718	(71,582)
Interdistrict transfers and other	204,000	204,000	232,900	28,900
Total expenditures	1,313,500	1,261,300	1,218,618	(42,682)
Net Change in Fund Balance	(47,800)	67,000	122,823	55,823
Fund Balance - Beginning of year	351,754	351,754	351,754	-
Fund Balance - End of year	<u><u>\$ 303,954</u></u>	<u><u>\$ 418,754</u></u>	<u><u>\$ 474,577</u></u>	<u><u>\$ 55,823</u></u>

Oakland Schools

Other Supplementary Information Budgetary Comparison Schedules - Nonmajor Special Revenue Funds (Continued) School Activities Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Under Final Budget
Revenue - Local sources	\$ 180,000	\$ 180,000	\$ 164,190	\$ (15,810)
Expenditures - Support services - Other	180,000	180,000	171,007	(8,993)
Net Change in Fund Balance	-	-	(6,817)	(6,817)
Fund Balance - Beginning of year	263,018	263,018	263,018	-
Fund Balance - End of year	<u><u>\$ 263,018</u></u>	<u><u>\$ 263,018</u></u>	<u><u>\$ 256,201</u></u>	<u><u>\$ (6,817)</u></u>

Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

	Special Revenue Funds	2016 Refunding Bonds Debt Service Fund	Qualified School Construction Bond Debt Service Fund	Qualified School Construction Bond Reserve Debt Service Fund	Administration Building Capital Projects Fund	Career Connections Facility Capital Projects Fund	Total
Assets							
Cash and investments	\$ 20,822,768	\$ 6,340,496	\$ -	\$ -	\$ 11,995,396	\$ -	\$ 39,158,660
Receivables:							
Accrued interest receivable	139,143	147,421	-	53	21,408	-	308,025
Other receivables	131,784	-	-	-	-	-	131,784
Due from other governments	2,659,736	-	-	-	-	-	2,659,736
Prepaid expenditures	28,246	-	-	-	103,880	-	132,126
Restricted assets	-	-	1,251,256	10,591,321	-	-	11,842,577
Total assets	\$ 23,781,677	\$ 6,487,917	\$ 1,251,256	\$ 10,591,374	\$ 12,120,684	\$ -	\$ 54,232,908
Liabilities							
Accounts payable	\$ 123,754	\$ -	\$ -	\$ -	\$ 265,151	\$ -	\$ 388,905
Due to other governmental units	2,670,369	-	-	-	-	-	2,670,369
Accrued payroll and other liabilities	817,493	-	-	-	-	-	817,493
Unearned revenue	857,959	-	-	-	-	-	857,959
Total liabilities	4,469,575	-	-	-	265,151	-	4,734,726
Fund Balances							
Nonspendable - Prepaid expenditures	28,246	-	-	-	103,880	-	132,126
Restricted - Debt service	-	6,487,917	1,251,256	10,591,374	-	-	18,330,547
Committed:							
Capital projects	-	-	-	-	11,751,653	-	11,751,653
Special revenue funds	19,283,856	-	-	-	-	-	19,283,856
Total fund balances	19,312,102	6,487,917	1,251,256	10,591,374	11,855,533	-	49,498,182
Total liabilities and fund balances	\$ 23,781,677	\$ 6,487,917	\$ 1,251,256	\$ 10,591,374	\$ 12,120,684	\$ -	\$ 54,232,908

Oakland Schools

Other Supplementary Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year Ended June 30, 2023

	Special Revenue Funds	2016 Refunding Bonds Debt Service Fund	Qualified School Construction Bond Debt Service Fund	Qualified School Construction Bond Reserve Debt Service Fund	Administration Building Capital Projects Fund	Career Connections Facility Capital Projects Fund	Total
Revenue							
Local sources	\$ 36,128,757	\$ 228,988	\$ 32,832	\$ (145,557)	\$ 392,610	\$ 3,299	\$ 36,640,929
State sources	2,371,060	-	-	-	-	-	2,371,060
Federal sources	756,508	-	-	755,122	-	-	1,511,630
Total revenue	39,256,325	228,988	32,832	609,565	392,610	3,299	40,523,619
Expenditures							
Current:							
Instruction	3,620,636	-	-	-	-	-	3,620,636
Support services	16,444,878	-	-	-	-	9,739	16,454,617
Debt service:							
Principal	24,024	1,395,000	-	-	-	-	1,419,024
Interest and other	422	1,072,150	1,500	927,500	-	-	2,001,572
Capital outlay	137,283	-	-	-	821,129	-	958,412
Interdistrict transfers and other	16,541,299	-	-	-	-	-	16,541,299
Total expenditures	36,768,542	2,467,150	1,500	927,500	821,129	9,739	40,995,560
Excess of Revenue Over (Under) Expenditures	2,487,783	(2,238,162)	31,332	(317,935)	(428,519)	(6,440)	(471,941)
Other Financing Sources (Uses)							
Transfers in	776,600	1,800,000	-	770,000	800,000	-	4,146,600
Transfers out	(467,786)	-	(770,000)	-	-	(521,478)	(1,759,264)
Total other financing sources (uses)	308,814	1,800,000	(770,000)	770,000	800,000	(521,478)	2,387,336
Net Change in Fund Balances	2,796,597	(438,162)	(738,668)	452,065	371,481	(527,918)	1,915,395
Fund Balances - Beginning of year	16,515,505	6,926,079	1,989,924	10,139,309	11,484,052	527,918	47,582,787
Fund Balances - End of year	<u>\$ 19,312,102</u>	<u>\$ 6,487,917</u>	<u>\$ 1,251,256</u>	<u>\$ 10,591,374</u>	<u>\$ 11,855,533</u>	<u>\$ -</u>	<u>\$ 49,498,182</u>

**Other Supplementary Information
Combining Balance Sheet
Nonmajor Special Revenue Funds**

June 30, 2023

	Shared Services and Tuition Programs Cooperative Activities Fund	ONE Cooperative Activities Fund	Medicaid Cooperative Activities Fund	HR/Finance Consortium Cooperative Activities Fund	School Activities Fund	Total
Assets						
Cash and investments	\$ 2,825,315	\$ 13,908,139	\$ 3,345,030	\$ 488,083	\$ 256,201	\$ 20,822,768
Receivables:						
Accrued interest receivable	11,765	120,350	4,946	2,082	-	139,143
Other receivables	66,715	65,069	-	-	-	131,784
Due from other governments	2,594,646	-	36,855	28,235	-	2,659,736
Prepaid expenditures	10,663	15,728	1,855	-	-	28,246
Total assets	\$ 5,509,104	\$ 14,109,286	\$ 3,388,686	\$ 518,400	\$ 256,201	\$ 23,781,677
Liabilities						
Accounts payable	\$ 52,751	\$ 67,973	\$ 395	\$ 2,635	\$ -	\$ 123,754
Due to other governmental units	10,427	28,683	2,631,259	-	-	2,670,369
Accrued payroll and other liabilities	746,124	963	29,218	41,188	-	817,493
Unearned revenue	132,000	-	725,959	-	-	857,959
Total liabilities	941,302	97,619	3,386,831	43,823	-	4,469,575
Fund Balances						
Nonspendable - Prepaid expenditures	10,663	15,728	1,855	-	-	28,246
Committed - Special revenue funds	4,557,139	13,995,939	-	474,577	256,201	19,283,856
Total fund balances	4,567,802	14,011,667	1,855	474,577	256,201	19,312,102
Total liabilities and fund balances	\$ 5,509,104	\$ 14,109,286	\$ 3,388,686	\$ 518,400	\$ 256,201	\$ 23,781,677

Other Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds

Year Ended June 30, 2023

	Shared Services and Tuition Programs Cooperative Activities Fund	ONE Cooperative Activities Fund	Medicaid Cooperative Activities Fund	HR/Finance Consortium Cooperative Activities Fund	School Activities Fund	Total
Revenue						
Local sources	\$ 14,655,624	\$ 3,775,578	\$ 16,385,980	\$ 1,147,385	\$ 164,190	\$ 36,128,757
State sources	2,131,968	-	95,036	144,056	-	2,371,060
Federal sources	9,970	65,069	681,469	-	-	756,508
Total revenue	16,797,562	3,840,647	17,162,485	1,291,441	164,190	39,256,325
Expenditures						
Current:						
Instruction	3,620,636	-	-	-	-	3,620,636
Support services	13,990,744	625,116	672,293	985,718	171,007	16,444,878
Debt service:						
Principal	-	-	24,024	-	-	24,024
Interest and other	-	-	422	-	-	422
Capital outlay	133,291	-	3,992	-	-	137,283
Interdistrict transfers and other	52,500	-	16,459,899	28,900	-	16,541,299
Total expenditures	17,797,171	625,116	17,160,630	1,014,618	171,007	36,768,542
Excess of Revenue (Under) Over Expenditures	(999,609)	3,215,531	1,855	276,823	(6,817)	2,487,783
Other Financing Sources (Uses)						
Transfers in	-	726,600	-	50,000	-	776,600
Transfers out	(263,786)	-	-	(204,000)	-	(467,786)
Total other financing (uses) sources	(263,786)	726,600	-	(154,000)	-	308,814
Net Change in Fund Balances	(1,263,395)	3,942,131	1,855	122,823	(6,817)	2,796,597
Fund Balances - Beginning of year	5,831,197	10,069,536	-	351,754	263,018	16,515,505
Fund Balances - End of year	<u><u>\$ 4,567,802</u></u>	<u><u>\$ 14,011,667</u></u>	<u><u>\$ 1,855</u></u>	<u><u>\$ 474,577</u></u>	<u><u>\$ 256,201</u></u>	<u><u>\$ 19,312,102</u></u>

**Other Supplementary Information
Schedule of Bonded Indebtedness**

June 30, 2023

Years Ending June 30	2009-2010 General Bonds	2016 Refunding Bonds	Total
	Principal	Principal	
2024	\$ -	\$ 1,460,000	\$ 1,460,000
2025	-	1,535,000	1,535,000
2026	-	1,610,000	1,610,000
2027	14,800,000	1,690,000	16,490,000
2028	-	1,775,000	1,775,000
2029	-	1,865,000	1,865,000
2030	-	1,950,000	1,950,000
2031	-	2,010,000	2,010,000
2032	-	2,070,000	2,070,000
2033	-	2,135,000	2,135,000
2034	-	2,200,000	2,200,000
2035	-	2,230,000	2,230,000
2036	-	2,345,000	2,345,000
Total remaining payments	<u><u>\$ 14,800,000</u></u>	<u><u>\$ 24,875,000</u></u>	<u><u>\$ 39,675,000</u></u>
Interest rate (percent)	6.25	3.00 - 5.00	
Original issue	<u><u>\$ 14,800,000</u></u>	<u><u>\$ 30,695,000</u></u>	

Principal payments for the bond issues are due on May 1 of each year.

Interest payments for the bond issues are due on May 1 and November 1 of each year.

Statistical Section (Unaudited)

Introduction to Statistical Section

This part of the School District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the School District's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Net Position by Component (Unaudited)

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 45,105,058	\$ 42,310,533	\$ 45,887,902	\$ 41,636,657	\$ 36,773,245	\$ 35,003,470	\$ 34,010,149	\$ 33,142,463	\$ 30,558,154	\$ 26,445,434
Restricted	41,892,717	39,475,802	19,243,353	16,898,371	41,041,957	39,321,973	41,645,288	43,463,326	40,767,367	45,155,260
Unrestricted	<u>(76,486,579)</u>	<u>(74,701,841)</u>	<u>(61,333,731)</u>	<u>(54,561,605)</u>	<u>(119,596,597)</u>	<u>(123,177,742)</u>	<u>(132,010,797)</u>	<u>(137,301,735)</u>	<u>(120,820,165)</u>	<u>(103,136,090)</u>
Total governmental activities	<u>10,511,196</u>	<u>7,084,494</u>	<u>3,797,524</u>	<u>3,973,423</u>	<u>(41,781,395)</u>	<u>(48,852,299)</u>	<u>(56,355,360)</u>	<u>(60,695,946)</u>	<u>(49,494,644)</u>	<u>(31,535,396)</u>
Business-type activities:										
Net investment in capital assets	451,572	490,149	323,990	220,075	142,395	205,307	197,810	157,271	82,509	13,172
Unrestricted	<u>647,658</u>	<u>564,718</u>	<u>727,120</u>	<u>959,031</u>	<u>1,204,573</u>	<u>1,240,092</u>	<u>1,142,307</u>	<u>(542,918)</u>	<u>(799,646)</u>	<u>(806,230)</u>
Total business-type activities	<u>1,099,230</u>	<u>1,054,867</u>	<u>1,051,110</u>	<u>1,179,106</u>	<u>1,346,968</u>	<u>1,445,399</u>	<u>1,340,117</u>	<u>(385,647)</u>	<u>(717,137)</u>	<u>(793,058)</u>
Primary government:										
Net investment in capital assets	45,556,630	42,800,682	46,211,892	41,856,732	36,915,640	35,208,777	34,207,959	33,299,734	30,640,663	26,458,606
Restricted	41,892,717	39,475,802	19,243,353	16,898,371	41,041,957	39,321,973	41,645,288	43,463,326	40,767,367	45,155,260
Unrestricted	<u>(75,838,921)</u>	<u>(74,137,123)</u>	<u>(60,606,611)</u>	<u>(53,602,574)</u>	<u>(118,392,024)</u>	<u>(121,937,650)</u>	<u>(130,868,490)</u>	<u>(137,844,653)</u>	<u>(121,619,811)</u>	<u>(103,942,320)</u>
Total primary government net position	<u>\$ 11,610,426</u>	<u>\$ 8,139,361</u>	<u>\$ 4,848,634</u>	<u>\$ 5,152,529</u>	<u>\$ (40,434,427)</u>	<u>\$ (47,406,900)</u>	<u>\$ (55,015,243)</u>	<u>\$ (61,081,593)</u>	<u>\$ (50,211,781)</u>	<u>\$ (32,328,454)</u>

Note: On July 1, 2014, the School District implemented the provisions of GASB Nos. 68 and 71, which resulted in the District recording a net pension liability of \$(101,124,529) and a deferred outflow for pension liabilities of \$4,892,673 as of that date. Unrestricted Net Position has been restated to reflect this change in accounting principle in 2014.

Note: On July 1, 2017, the School District implemented the provisions of GASB No. 75, which resulted in the School District recording a net OPEB liability of \$(47,148,341) and a deferred outflow for OPEB contributions of \$3,363,068 made subsequent to the measurement date, and a deferred inflow for revenue received in support of OPEB contributions of \$(1,394,867) that was received subsequent to the measurement date. Unrestricted Net Position has been restated to reflect this change in accounting principle in 2017.

Source: Prior years' Annual Comprehensive Financial Reports

Changes in Governmental Net Position (Unaudited)

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
Instruction	\$ 20,465,495	\$ 21,298,926	\$ 22,006,499	\$ 21,575,693	\$ 22,911,869	\$ 23,463,114	\$ 24,085,554	\$ 19,974,781	\$ 19,235,228	\$ 19,841,609
Support services, community services, interdistrict transfers and other	239,626,487	255,011,090	260,177,286	268,922,341	276,685,016	293,043,802	301,767,148	310,803,372	315,107,006	354,312,682
Interest on long-term debt	2,957,477	2,931,214	2,233,465	2,275,495	2,070,614	2,031,281	1,988,906	1,948,322	2,001,805	1,921,360
Depreciation and amortization (unallocated)	5,482,627	5,441,001	5,375,569	4,929,373	4,905,673	4,679,704	4,781,269	4,843,389	5,479,942	5,535,406
Total governmental activities	268,532,086	284,682,231	289,792,819	297,702,902	306,573,172	323,217,901	332,622,877	337,569,864	341,823,981	381,611,057
Business-type activities:										
Support services	-	-	-	1,886,186	1,680,673	1,678,417	1,744,793	1,764,532	1,974,916	1,974,122
Depreciation and amortization (unallocated)	-	-	-	109,463	106,709	64,088	68,902	40,539	154,359	152,923
Total business-type activities	-	-	-	1,995,649	1,787,382	1,742,505	1,813,695	1,805,071	2,129,275	2,127,045
Total primary government expenses	268,532,086	284,682,231	289,792,819	299,698,551	308,360,554	324,960,406	334,436,572	339,374,935	343,953,256	383,738,102
Program Revenue										
Governmental activities:										
Charges for services:										
Instruction	4,657,048	4,774,800	4,701,407	4,657,556	5,237,236	5,486,325	5,235,313	5,440,729	6,037,844	3,079,878
Support services	21,019,191	22,224,460	22,859,101	24,665,315	25,333,917	26,363,113	28,559,488	26,796,732	28,803,603	36,912,601
Total charges for services	25,676,239	26,999,260	27,560,508	29,322,871	30,571,153	31,849,438	33,794,801	32,237,461	34,841,447	39,992,479
Operating grants and contributions:										
Instruction	837,577	857,686	1,656,153	2,687,861	2,363,479	2,343,883	2,439,646	2,689,386	2,627,001	3,167,158
Support services	15,607,122	15,951,153	15,978,317	17,837,757	17,377,474	15,486,543	14,741,421	18,062,766	20,536,552	19,126,431
Interdistrict payments and other	55,787,591	62,132,296	61,378,053	62,942,963	61,872,742	63,309,880	62,318,419	63,015,819	73,224,552	95,273,638
Total operating grants and contributions	72,232,290	78,941,135	79,012,523	83,468,581	81,613,695	81,140,306	79,499,486	83,767,971	96,388,105	117,567,227
Total governmental activities program revenue	97,908,529	105,940,395	106,573,031	112,791,452	112,184,848	112,989,744	113,294,287	116,005,432	131,229,552	157,559,706
Business-type activities:										
Charges for services: Support services	-	-	-	2,118,822	1,939,877	1,817,157	1,693,119	1,416,278	1,797,111	2,035,230
Total primary government program revenue	97,908,529	105,940,395	106,573,031	114,910,274	114,124,725	114,806,901	114,987,406	117,421,710	133,026,663	159,594,936
Net (Expenses) Revenue:										
Governmental activities	(170,623,557)	(178,741,836)	(183,219,788)	(184,911,450)	(194,388,324)	(210,228,157)	(219,328,590)	(221,564,432)	(210,594,429)	(224,051,351)
Business-type activities	-	-	-	123,173	152,495	74,652	(120,576)	(388,793)	(332,164)	(91,815)
Total primary government net (expenses)	\$ (170,623,557)	\$ (178,741,836)	\$ (183,219,788)	\$ (184,788,277)	\$ (194,235,829)	\$ (210,153,505)	\$ (219,449,166)	\$ (221,953,225)	\$ (210,926,593)	\$ (224,143,166)

Oakland Schools
Changes in Governmental Net Position (Unaudited) (Continued)
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expenses) Revenue:										
Governmental activities	\$ (170,623,557)	\$ (178,741,836)	\$ (183,219,788)	\$ (184,911,450)	\$ (194,388,324)	\$ (210,228,157)	\$ (219,328,590)	\$ (221,564,432)	\$ (210,594,429)	\$ (224,051,351)
Business-type activities	-	-	-	123,173	152,495	74,652	(120,576)	(388,793)	(332,164)	(91,815)
Total primary government net (expenses)	(170,623,557)	(178,741,836)	(183,219,788)	(184,788,277)	(194,235,829)	(210,153,505)	(219,449,166)	(221,953,225)	(210,926,593)	(224,143,166)
General Revenue										
Governmental activities:										
Property taxes	164,539,717	167,867,989	173,763,748	175,566,760	180,204,423	187,339,089	195,203,636	202,585,827	208,177,057	218,800,921
Federal and state aid not restricted to specific purposes	5,516,299	7,189,210	5,211,440	10,434,989	12,410,402	12,135,214	13,129,765	13,239,692	14,353,714	16,294,515
Investment earnings (loss)	283,907	125,960	953,873	491,390	1,261,664	3,682,950	3,189,652	50,873	(806,070)	6,519,462
Other	87,612	87,612	-	144,119	(62,843)	-	156,099	10,186	71,548	164,190
Gain (Loss) on disposal of capital assets	-	-	-	-	-	-	-	-	(518)	231,511
Loss on the impairment of capital assets	-	-	-	(1,549,909)	-	-	(118,948)	-	-	-
Total governmental activities general revenue	170,427,535	175,270,771	179,929,061	185,087,349	193,813,646	203,157,253	211,560,204	215,886,578	221,795,731	242,010,599
Business-type activities:										
Investment earnings	-	-	-	4,823	13,367	23,779	15,294	297	674	15,894
Other	-	-	-	-	2,000	-	-	-	-	-
Loss on the impairment of capital assets	-	-	-	-	-	-	-	-	-	-
Total primary government general revenue	170,427,535	175,270,771	179,929,061	185,092,172	193,829,013	203,181,032	211,575,498	215,886,875	221,796,405	242,026,493
Change in Net Position										
Governmental activities	\$ (196,022)	\$ (3,471,065)	\$ (3,290,727)	\$ 175,899	\$ (574,678)	\$ (7,070,904)	\$ (7,768,386)	\$ (5,677,854)	\$ 11,201,302	\$ 17,959,248
Business-type activities	-	-	-	127,996	165,862	98,431	(105,282)	(388,496)	(331,490)	(75,921)
Total primary government change in net position	\$ (196,022)	\$ (3,471,065)	\$ (3,290,727)	\$ 303,895	\$ (408,816)	\$ (6,972,473)	\$ (7,873,668)	\$ (6,066,350)	\$ 10,869,812	\$ 17,883,327

Source: Prior years' Annual Comprehensive Financial Reports

Note: On July 1, 2014, the District implemented the provisions of GASB Nos. 68 and 71, which resulted in the District recording a net pension liability of \$(101,124,529) and a deferred outflow for pension liabilities of \$4,892,673 as of that date. The impact on net position is an additional reduction to net position of \$96,231,856.

Note: On July 1, 2017, the School District implemented the provisions of GASB No. 75, which resulted in the School District recording a net OPEB liability of \$(47,148,341) and a deferred outflow for OPEB contributions of \$3,363,068 made subsequent to the measurement date, and a deferred inflow for revenue received in support of OPEB contributions of \$(1,394,867) that was received subsequent to the measurement date. Unrestricted Net Position has been restated to reflect this change in accounting principle in 2017.

Note: The District began reporting business-type activities separate from governmental activities in the year ended June 30, 2017. Prior to that, business-type activities were combined with governmental activities.

Oakland Schools
Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years

	June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Education Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	62,682	48,658	82,590	28,623	29,311	28,508	74,784	16,496	94,712	45,317
Assigned	-	-	-	-	-	1,500,000	1,700,000	1,700,000	2,000,000	1,400,000
Unassigned	<u>4,006,109</u>	<u>5,354,979</u>	<u>4,495,201</u>	<u>4,771,686</u>	<u>4,101,978</u>	<u>3,452,252</u>	<u>3,989,241</u>	<u>4,856,756</u>	<u>4,876,347</u>	<u>4,675,422</u>
Total General Education Fund	<u>\$ 4,068,791</u>	<u>\$ 5,403,637</u>	<u>\$ 4,577,791</u>	<u>\$ 4,800,309</u>	<u>\$ 4,131,289</u>	<u>\$ 4,980,760</u>	<u>\$ 5,764,025</u>	<u>\$ 6,573,252</u>	<u>\$ 6,971,059</u>	<u>\$ 6,120,739</u>
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved - Reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	173,015	132,291	239,828	174,203	116,522	87,109	71,873	565,492	513,264	270,577
Restricted	42,214,133	39,823,734	35,726,366	38,036,824	41,364,279	39,641,091	41,947,392	43,766,582	41,020,357	45,397,319
Committed	<u>14,605,079</u>	<u>13,997,041</u>	<u>14,838,844</u>	<u>19,082,413</u>	<u>24,246,341</u>	<u>28,216,731</u>	<u>31,907,934</u>	<u>32,968,070</u>	<u>39,240,194</u>	<u>55,267,881</u>
Total all other governmental funds	<u>\$ 56,992,227</u>	<u>\$ 53,953,066</u>	<u>\$ 50,805,038</u>	<u>\$ 57,293,440</u>	<u>\$ 65,727,142</u>	<u>\$ 67,944,931</u>	<u>\$ 73,927,199</u>	<u>\$ 77,300,144</u>	<u>\$ 80,773,815</u>	<u>\$ 100,935,777</u>

Source: Prior years' Annual Comprehensive Financial Reports

Oakland Schools
Changes in Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years

	Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020 (b)	2021	2022	2023
Revenue										
Local	\$ 174,984,342	\$ 183,816,559	\$ 200,198,492	\$ 204,798,472	\$ 211,570,968	\$ 222,515,712	\$ 232,034,174	\$ 234,611,672	\$ 241,544,105	\$ 265,001,190
State	34,128,734	40,742,535	36,726,944	40,620,573	41,630,028	41,984,010	42,333,355	43,190,630	52,764,162	80,171,402
Federal	51,169,271	53,034,215	50,173,029	53,671,926	51,679,276	51,407,151	49,462,106	54,360,437	59,124,976	58,836,929
Other revenue	5,578,013	1,095,341	899,877	1,016,235	1,119,129	830,931	793,370	733,793	807,585	722,734
Total revenue	265,860,360	278,688,650	287,998,342	300,107,206	305,999,401	316,737,804	324,623,005	332,896,532	354,240,828	404,732,255
Expenditures										
Current:										
Instruction	20,465,495	21,483,026	22,057,423	21,142,122	21,832,820	21,838,699	21,382,592	18,488,421	20,981,404	21,050,230
Support services	54,743,505	61,818,402	66,576,949	71,002,568	73,583,141	74,256,417	75,164,928	81,817,277	84,043,366	90,603,232
Community services	5,852,125	5,762,576	3,792,539	3,584,617	3,536,960	1,399,473	1,164,038	1,206,286	1,320,982	1,758,507
Interdistrict transfers and other	175,074,899	184,432,804	187,177,491	191,501,377	194,869,571	209,688,844	213,254,856	220,139,980	237,240,863	265,369,328
Facilities acquisition	111,787	4,540	31,918	-	-	-	-	-	-	-
Debt service:										
Principal	1,045,000	1,085,000	1,130,000	1,185,000	800,000	840,000	885,000	925,000	1,329,022	1,758,046
Interest and other	2,964,444	2,938,447	1,967,328	2,420,973	2,221,400	2,182,400	2,140,400	2,100,151	2,154,049	2,077,104
Bond issuance costs and fees	-	-	230,432	-	-	-	-	-	-	-
Capital outlay	3,701,266	2,868,170	3,320,674	2,559,629	2,907,527	3,464,711	4,130,983	4,037,245	3,299,664	4,854,166
Total expenditures	263,958,521	280,392,965	286,284,754	293,396,286	299,751,419	313,670,544	318,122,797	328,714,360	350,369,350	387,470,613
Excess of Revenue (Under) Over Expenditures	1,901,839	(1,704,315)	1,713,588	6,710,920	6,247,982	3,067,260	6,500,208	4,182,172	3,871,478	17,261,642
Other Financing Sources (Uses)										
Proceeds from sale of capital assets	-	-	-	-	1,516,700	-	-	-	-	2,050,000
Payment to escrow agent for debt refunding	-	-	(39,862,718)	-	-	-	-	-	-	-
Debt issuance	-	-	30,695,000	-	-	-	-	-	-	-
Premium on debt issued	-	-	3,480,256	-	-	-	-	-	-	-
Transfers in	4,518,498	4,901,600	15,182,226	6,934,684	7,614,248	8,550,541	8,078,843	12,097,474	11,696,171	20,835,864
Transfers out	(4,518,498)	(4,901,600)	(15,182,226)	(6,934,684)	(7,614,248)	(8,550,541)	(8,078,843)	(12,097,474)	(11,696,171)	(20,835,864)
Total other financing sources (uses)	-	-	(5,687,462)	-	1,516,700	-	-	-	-	2,050,000
Net Change in Fund Balances	1,901,839	(1,704,315)	(3,973,874)	6,710,920	7,764,682	3,067,260	6,500,208	4,182,172	3,871,478	19,311,642
Fund Balances - Beginning of year	118,215,506	120,117,345	118,413,030	114,439,156	121,150,076	128,914,758	73,191,016	79,691,224	83,873,396	87,744,874
Fund Balances - End of year	\$ 120,117,345	\$ 118,413,030	\$ 114,439,156	\$ 121,150,076	\$ 128,914,758	\$ 131,982,018	\$ 79,691,224	\$ 83,873,396	\$ 87,744,874	\$ 107,056,516
Debt service as a percentage of noncapital expenditures (a)	1.54%	1.45%	1.09%	1.24%	1.02%	0.97%	0.96%	0.93%	1.00%	1.00%

Source: Prior years' Annual Comprehensive Financial Reports

(a) Noncapital expenditures are total governmental expenditures less capital outlay.

(b) BOY fund balance has been restated due to adoption of GASB 84

Oakland Schools

Taxable Value of Property (Unaudited)

Last Ten Fiscal Years

Levy Year	Fiscal		Real Property						Personal	Total Value	Total
	Year	Tax Year	Agricultural	Commercial	Industrial	Residential	Developmental	Total Real Property	Property		Direct Tax Rate
2013	14/15	2014	\$40,619,450	\$8,592,084,460	\$1,543,801,500	\$36,222,002,217	-	\$46,398,507,627	\$3,650,142,460	\$50,048,650,087	3.3690
2014	15/16	2015	42,908,710	8,668,179,912	1,575,950,217	37,726,099,014	-	48,013,137,853	3,882,203,584	51,895,341,437	3.3633
2015	16/17	2016	42,597,045	8,731,176,989	1,606,675,259	38,997,799,934	-	49,378,249,227	3,407,953,246	52,786,202,473	3.3398
2016	17/18	2017	44,178,330	8,957,063,497	1,661,231,821	40,609,322,089	-	51,271,795,737	3,451,947,290	54,723,743,027	3.3079
2017	18/19	2018	46,014,710	9,373,464,567	1,751,303,050	42,722,004,594	-	53,892,786,921	3,409,219,510	57,302,006,431	3.2813
2018	19/20	2019	49,363,690	9,874,861,799	1,824,816,636	45,025,561,832	-	56,774,603,957	3,531,464,890	60,306,068,847	3.2539
2019	20/21	2020	51,861,930	10,260,143,342	1,895,811,378	47,186,788,266	-	59,394,604,916	3,603,140,154	62,997,745,070	3.2280
2020	21/22	2021	51,964,260	10,599,175,014	1,973,439,019	49,073,505,006	-	61,698,083,299	3,721,570,829	65,419,654,128	3.2012
2021	22/23	2022	54,208,080	11,420,390,043	2,190,437,432	52,116,908,871	-	65,781,944,426	3,863,319,745	69,645,264,171	3.1658
2022	23/24	2023	59,063,020	12,301,318,413	2,443,081,033	56,184,059,575	-	70,987,522,041	3,893,103,273	74,880,625,314	3.1658

Notes:

Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.
Under Michigan law, the revenue base is taxable value.

Source: Prior years' Annual Comprehensive Financial Report Statistical Sections
Oakland County Equalization Report

Oakland Schools

Direct and Overlapping Property Tax Rates (Unaudited)

Last Ten Fiscal Years

Tax Year	Fiscal Year Ended June 30	General Operating	Parks	Oakland Schools	Oakland Community College	Huron-Clinton Authority	Public Transportation Authority	Oakland County Zoological Authority	Art Institute Authority
2013	2014	4.1900	0.2415	3.3690	1.5844	0.2146	0.5900	0.1000	0.2000
2014	2015	4.1900	0.2415	3.3690	1.5844	0.2146	1.0000	0.1000	0.2000
2015	2016	4.0900	0.2410	3.3633	1.5819	0.2146	0.9998	0.0998	0.1996
2016	2017	4.0400	0.2392	3.3398	1.5707	0.2146	0.9941	0.0990	0.1981
2017	2018	4.0400	0.2368	3.3079	1.5555	0.2140	0.9863	0.0980	0.1961
2018	2019	4.0400	0.2349	3.2813	1.5431	0.2129	1.0000	0.0982	0.1945
2019	2020	4.0400	0.2329	3.2539	1.5303	0.2117	0.9927	0.0973	0.1929
2020	2021	4.0200	0.3500	3.2280	1.5184	0.2104	0.9851	0.0965	0.1913
2021	2022	4.0132	0.3470	3.2012	1.5057	0.2089	0.9765	0.0956	0.1897
2022	2023	3.9686	0.3431	3.1658	1.4891	0.2070	0.9500	0.0945	0.1945

Source: Oakland County Apportionment of Local Tax Rates

Oakland Schools

Principal Property Taxpayers (Unaudited)

For the Current Year and Nine Years Prior

Taxpayer	2022		Percentage		2013		Percentage	
	Taxable Value	Rank	Taxable Value		Taxable Value	Rank	Taxable Value	
Detroit Edison Company/DTE	\$ 745,794,558	1	1.07 %		\$ 400,145,352	1	0.81 %	
Consumers Energy	631,434,268	2	0.91 %		197,563,439	4	0.40 %	
Stellantis (formerly FCA US LLC, Chrysler)	175,333,130	3	0.25 %		235,405,963	2	0.48 %	
International Transmission	173,624,634	4	0.25 %		88,490,106	7	0.18 %	
Amazon	160,788,020	5	0.23 %		-	-	0.00 %	
Taubman/Great Lakes Crossing	150,474,920	6	0.22 %		116,032,721	5	0.24 %	
SighCidermill Village	141,317,610	7	0.20 %		-	-	-	
Edward Rose/Occidental Development Ltd	120,377,050	8	0.17 %		-	-	-	
Enbridge Energy	120,044,760	9	0.17 %		-	-	-	
General Motors	118,356,000	10	0.17 %		220,501,420	3	0.45 %	
Comcast	87,573,001	11	0.13 %		73,200,373	9	0.15 %	
Ramco Lion Venture	86,311,489	12	0.12 %		85,790,304	8	0.17 %	
Redico	84,193,671	13	0.12 %		-	-	-	
SL Town Etal	81,120,868	14	0.12 %		68,828,235	11	0.14 %	
Meijer/Goodwill Co	73,746,370	15	0.11 %		55,331,935	12	0.11 %	
Oakland Management	72,086,380	16	0.10 %		-	-	-	
Redwood-ERC Novi LLC	71,342,890	17	0.10 %		42,084,188	15	0.09 %	
Kroger	65,647,930	18	0.09 %		28,958,030	18	0.06 %	
Somerset Collection LTD PTN	62,624,480	19	0.09 %		115,364,126	6	0.23 %	
LITHIA Motors	62,294,850	20	0.09 %		-	-	-	
Total	\$ 3,284,486,879		4.72 %		\$ 1,727,696,192		3.51 %	

Source: Oakland County Department of Management and Budget, Equalization Division

Note: The Taxable Values have been compiled from a number of sources/reports and may include estimated figures.

Oakland Schools**Property Tax Levies and Collections (Unaudited)****Last Ten Fiscal Years**

Tax Year	Fiscal Year Ended June 30	Total Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Levy Collected
2013	2014	\$165,032,488	\$164,539,717	99.7	-	\$164,539,717	99.7
2014	2015	167,738,055	167,867,989	100.1	-	167,867,989	100.1
2015	2016	173,670,414	173,760,655	100.1	-	173,760,655	100.1
2016	2017	175,377,383	175,561,749	100.1	-	175,561,749	100.1
2017	2018	180,040,597	180,201,551	100.1	-	180,201,551	100.1
2018	2019	186,983,839	187,336,580	100.2	-	187,336,580	100.2
2019	2020	195,150,702	195,198,050	100.0	-	195,198,050	100.0
2020	2021	202,251,724	202,582,815	100.2	-	202,582,815	100.2
2021	2022	208,277,582	208,172,204	99.9	-	208,172,204	99.9
2022	2023	219,242,452	218,796,917	99.8	-	218,796,917	99.8

Source: Oakland County Treasurer

Ratios of Outstanding Debt (Unaudited)

Last Ten Fiscal Years

Tax Year	Limited Tax General Obligation Bonds (a)	Accumulated Resources Restricted to Repaying the Principal of General Bonded Debt (b)	Net General Bonded Debt	Taxable Value	Net General Bonded Debt as a Percentage of Taxable Value	Total Debt as a Percentage of Taxable Value	Population	Percentage of Personal Income (c)	Net Debt per Capita
2013	\$55,625,000	\$11,298,570	\$44,326,430	\$48,985,600,539	0.09%	0.11%	1,243,313	0.08 %	36
2014	54,540,000	11,231,235	43,308,765	49,788,677,544	0.09%	0.11%	1,249,149	0.07 %	35
2015	46,680,000	10,627,531	36,052,469	51,636,908,346	0.07%	0.09%	1,244,851	0.06 %	29
2016	45,495,000	11,239,710	34,255,290	52,511,343,048	0.07%	0.09%	1,243,970	0.06 %	28
2017	44,695,000	11,114,752	33,580,248	54,427,460,698	0.06%	0.08%	1,250,836	0.05 %	27
2018	43,855,000	12,499,506	31,355,494	53,892,786,921	0.06%	0.08%	1,255,936	0.05 %	25
2019	42,970,000	13,426,152	29,543,848	56,774,603,957	0.05%	0.08%	1,262,034	0.05 %	23
2020	42,045,000	13,179,200	28,865,800	59,394,604,916	0.05%	0.07%	1,274,395	0.03 %	23
2021	41,070,000	12,129,233	28,940,767	61,698,083,299	0.05%	0.07%	1,270,017	0.03 %	23
2022	39,675,000	11,842,576	27,832,424	65,781,944,426	0.04%	0.06%	1,269,431	* %	22

* Fiscal year 2023 information is not yet available.

Note: (a) All debt is related to governmental activities

(b) This is the amount restricted for debt service principal payments, contained in the Qualified School Construction Bond Debt Service Fund and the Qualified School Construction Bond Reserve Debt Service Fund.

(c) Personal income information can be found in the table on Demographic and Economic Statistics.

Sources: Population - U.S. Department of Commerce, Bureau of Census
Taxable Value - Oakland Schools L-4029

Oakland Schools

Direct and Overlapping Governmental Activities Debt (Unaudited)

Year Ended June 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
Oakland County - Net of Self Supporting	\$ 179,670,000	0.0%	\$ -
Water & sewer special assessment debt	49,952,312	0.0%	-
Lake Levels special assessment debt	1,195,048	0.0%	-
Cities, Villages and Townships	1,161,636,701	0.0%	-
Community Colleges	3,585,818	0.0%	-
District Libraries	2,144,454	0.0%	-
Local School Districts	3,002,278,227	0.0%	-
Total overlapping debt	<u>\$ 4,400,462,560</u>		-
Direct district debt:			
General Obligation Bonds			<u>39,675,000</u>
Total direct district debt			<u>\$ 39,675,000</u>

Source: Oakland County Treasurer and Municipal Advisory Council of Michigan

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Calculation of debt limit:										
State Equalized Value	\$ 57,706,325,006	\$ 63,702,012,174	\$ 59,449,270,456	\$ 63,034,061,500	\$ 65,649,975,015	\$ 70,074,783,331	\$ 74,167,150,677	\$ 77,015,169,263	\$ 81,512,855,148	\$ 88,734,894,114
1/9 of 1% of State Equalized Value	64,118,139	70,780,014	66,054,745	70,037,846	72,944,417	77,860,870	82,407,945	85,572,410	90,569,839	98,594,327
Calculation of debt subject to limit:										
Net debt subject to limit	55,625,000	54,540,000	46,680,000	45,495,000	44,695,000	43,855,000	42,970,000	42,045,000	41,070,000	39,675,000
Legal debt margin	\$ 8,493,139	\$ 16,240,014	\$ 19,374,745	\$ 24,542,846	\$ 28,249,417	\$ 34,005,870	\$ 39,437,945	\$ 43,527,410	\$ 49,499,839	\$ 58,919,327
Net debt subject to limit as percent of debt limit	86.75%	77.06%	70.67%	64.96%	61.27%	56.32%	52.14%	49.13%	45.35%	40.24%

Source: Oakland County Treasurer

Note - The legal debt margin is only applicable in the year the debt is issued. Subsequent changes in the legal debt margin only relate to additional debt issued.

Per Section 629(2) of this State Aid Act - An intermediate school district board shall not borrow money or issue bonds for a sum that, together with the outstanding bonded indebtedness of the intermediate school district, exceeds 1/9 of 1% of the state equalized value of the taxable property within the District, unless the question of borrowing the money or issuing bonds is submitted first to a vote of the school electors of the intermediate school district in accordance with Act 451.

Demographic and Economic Statistics (Unaudited)

Last Ten Fiscal Years

Fiscal Years Ended June 30	Population	Total Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2014	1,243,313	\$70,246,571	\$56,500	8.1%
2015	1,249,149	73,973,217	59,219	5.4%
2016	1,244,851	78,829,158	63,324	4.7%
2017	1,243,970	81,802,445	65,759	2.9%
2018	1,250,836	86,271,021	68,971	3.4%
2019	1,255,936	91,595,253	72,930	3.7%
2020	1,262,034	92,144,604	73,013	14.9%
2021	1,274,395	96,441,996	75,677	3.6%
2022	1,270,017	102,822,763	80,962	3.5%
2023	1,269,431	*	*	3.1%

* Information not yet available

Source: Population = U.S. Department of Commerce, Bureau of Census
 Personal Income = Michigan Bureau of Economic Analysis
 Unemployment Rate = Michigan Department of Labor & Economic Growth

Principal Employers (Unaudited)

For the Current Year and Nine Years Prior

Taxpayer		2022 Employees	Percentage of Total Employment	2013 Employees	Percentage of Total Employment
1	Beaumont Health System	14,644	2.66%	11,882	2.17%
2	Stellantis (formerly FCA US LLC, Chrysler)	11,615	2.07%	11,563	2.12%
3	United Wholesale Mortgage	8,058	1.47%	-	-
4	General Motors Corporation	7,983	1.17%	8,550	1.56%
5	Ascension Michigan (formerly St. John Providence Hospital)	5,498	0.90%	4,261	0.78%
6	Henry Ford Health System	5,301	0.82%	2,846	0.52%
7	U.S. Postal Service	5,000	0.80%	4,108	0.75%
8	Oakland County Government	3,567	0.56%	3,196	0.58%
9	Trinity Health (formerly St. Joseph Mercy)	3,558	0.56%	5,979	1.09%
10	Magna International of America Inc.	2,640	0.37%	-	-
11	Flagstar Bankcorp Inc.	2,102	-	2,779	0.51%
	Botsford Health Care	-	-	2,776	0.51%
Total Principal Employers		69,966	11.38%	57,940	10.59%

Fiscal year 2023 information is not yet available.

Source: Oakland County Department of Planning & Economic Development

Oakland Schools

Full-time Equivalent School District Employees (Unaudited)

For the Current Year and Nine Years Prior

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government:										
Instruction	122.60	123.20	108.40	126.50	130.45	128.97	130.34	113.00	107.00	104.00
Support services	343.30	367.10	354.40	352.30	357.39	378.75	376.40	370.25	370.98	377.13
Community service	58.20	50.00	31.00	33.00	26.90	12.00	13.00	11.50	11.05	3.10
Subtotal	524.10	540.30	493.80	511.80	514.74	519.72	519.74	494.75	489.03	484.23
External services	33.20	38.60	71.80	77.00	80.00	75.90	83.90	98.90	103.97	106.37
Total Regular Employees	557.30	578.90	565.60	588.80	594.74	595.62	603.64	593.65	593.00	590.60
Part-time or retired employees				64.94	60.86	61.08	44.61	38.26	16.30	10.13

Source: School District Human Resource records

Note: The above data is a snapshot of District employees as of June 30 each year.

Definition of Employee Groups:

Instruction - employees dealing directly with the teaching of pupils or the interaction between teacher and pupils. This includes instructors, instructional technicians, and consultants dealing directly with pupils.

Support services - employees providing administrative, technical, and logistical support to facilitate and enhance instruction

Community service - employees that provide services for the community as a whole, such as community welfare activities. Employees in this category include those working in the JobLink and Homeless/Wraparound programs.

External services - employees providing services for local districts on a cost recovery basis in order to further the State's consolidation of services initiatives.

Part-time or retired employees - substitute teachers or retirees of the Michigan Public School System which are authorized to work for the District on an as-needed basis.

Oakland Schools**Operating Indicators (Unaudited)****Last Ten Years Ended June 30**

Year	Enrollment	Operating Expenditures/Uses	Cost per Pupil	Operating Revenue/Sources	Revenue per Pupil	Total Teaching Staff
2014	190,484	\$259,212,255	\$1,361	\$265,860,360	\$1,396	122.60
2015	188,504	276,439,795	1,466	278,688,650	1,478	123.20
2016	187,911	281,834,080	1,500	287,998,342	1,533	108.40
2017	188,951	289,651,657	1,533	300,107,206	1,588	126.50
2018	188,989	296,043,892	1,566	305,999,401	1,619	130.45
2019	186,932	309,365,833	1,655	316,737,804	1,694	128.97
2020	188,435	313,106,814	1,662	324,623,005	1,723	130.34
2021	187,021	323,752,115	1,731	332,896,532	1,780	113.00
2022	181,036	345,740,664	1,910	354,240,828	1,957	107.00
2023	179,826	380,858,401	2,118	404,732,255	2,251	104.00

Source: Prior year District financial reports

Oakland Schools

Facility Capital Asset Owned and Leased Information (Unaudited)

Last Ten Fiscal Years Ended June 30

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vocational education buildings owned:										
Number of buildings	2	2	2	2	2	2	2	2	2	2
Square footage	200,414	200,414	200,414	200,414	200,414	200,414	200,414	200,414	200,414	200,414
Vocational education buildings leased:										
Number of buildings	2	2	2	2	2	2	2	2	2	2
Square footage	218,801	218,801	218,801	218,801	218,801	218,801	218,801	218,801	218,801	218,801
Special education buildings owned:										
Number of buildings	1	1	1	1	-	-	-	-	-	-
Square footage	19,317	19,317	19,317	19,317	-	-	-	-	-	-
Other buildings owned:										
Number of buildings	2	2	2	2	2	2	2	2	2	1
Square footage	166,238	166,238	166,238	166,238	166,238	166,238	166,238	166,238	166,238	133,238
Other buildings leased:										
Number of buildings	2	2	2	2	2	2	2	2	2	1
Square footage	38,339	38,339	38,339	38,339	38,339	38,339	38,339	38,339	38,339	33,747
Total buildings owned and leased:										
Number of buildings	9	9	9	9	8	8	8	8	8	6
Square footage	643,109	643,109	643,109	643,109	623,792	623,792	623,792	623,792	623,792	586,200

Source: District internal records