Allen Park Public Schools

Financial Report
with Supplemental Information
June 30, 2018

Contents

plante moran

Plante & Moran, PLLC
27400 Northwestern Highway
P.O. Box 307
Southfield, MI 48037-0307
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

Independent Auditor's Report

To the Board of Education
Allen Park Public Schools

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of Allen Park Public Schools (the "School District") as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise Allen Park Public Schools' basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major funds, and the aggregate remaining fund information of Allen Park Public Schools as of June 30, 2018 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the basic financial statements, as of July 1, 2017, the School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The School District's unrestricted net position has been restated as of July 1, 2017 as a result of this change in accounting principle. Our opinion is not modified with respect to this matter.

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

To the Board of Education
Allen Park Public Schools

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the major fund budgetary comparison schedule, and the schedules of the School District's proportionate share of the net pension and net OPEB liabilities and contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 supplemental 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Allen Park Public Schools' basic financial statements. The other supplemental 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.

The other supplemental 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. Such 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 supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2018 on our consideration of Allen Park Public Schools' 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 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 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 Allen Park Public Schools' internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 23, 2018

This section of Allen Park Public 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, 2018. 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 Allen Park Public 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, as well as 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 Fund, the Refunding - Debt Service Fund, and the Capital Projects Fund - with the Cafeteria Fund presented in one column as a nonmajor fund. The remaining statement, the statement of fiduciary assets and liabilities, presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents. This report is composed of the following elements:

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

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplemental Information

Budgetary Information for the General Fund

Schedules of Proportionate Share of the Net Pension and OPEB Liabilities

Schedules of Pension and OPEB Contributions

Other Supplemental Information

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 our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education 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 for the School District, which encompass all of the School District’s services, including instruction, support services, community services, athletics, and food services. Property taxes, unrestricted state aid (foundation allowance revenue), interdistrict sources, and state and federal grants finance most of these activities.

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 (the Cafeteria Fund is an example) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects).

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.

The School District as Trustee - Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for its Student Activity Fund. All of the School District’s fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. We exclude these activities from the School District’s other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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, 2018 and 2017:

	Governmental Activities	
	2018	2017
	(in millions)	
Assets		
Current and other assets	$ 7.3	$ 8.3
Capital assets	55.5	56.8
Total assets	62.8	65.1
Deferred Outflows of Resources	18.1	13.0
Liabilities		
Current liabilities	6.1	6.5
Noncurrent liabilities	67.3	72.1
Net pension liability	63.8	60.6
Net OPEB obligation	21.8	-
Total liabilities	159.0	139.2
Deferred Inflows of Resources	6.7	2.2
Net Position		
Net investment in capital assets	(9.5)	(11.8)
Unrestricted	(75.3)	(51.5)
Total net position	**$ (84.8)**	**$ (63.3)**

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 net position was $(84.8) million at June 30, 2018. Net investment in capital assets totaling $(9.5) million compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. The remaining amount of net position ($(75.3) million) was unrestricted. The $(75.3) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations.

As required by the Governmental Accounting Standards Board (GASB), the School District adopted GASB Statement No. 75. This standard required the inclusion of the School District's proportionate share of the Michigan Public School Employees' Retiree Health Care Plan within the School District's financial statements, effective July 1, 2017. The effect of the adoption was to decrease July 1, 2017 beginning net position by $22.0 million and to include the net OPEB liability and related deferred inflows and outflows of resources in the June 30, 2018 financial statements. All governments participating in the plan were required to adopt this new standard.

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, 2018 and 2017:

	Governmental Activities	
	2018	2017
	(in millions)	
Revenue		
Program revenue:		
Charges for services	$ 1.3	$ 1.2
Operating grants	8.7	8.8
General revenue:		
Taxes	7.0	7.0
State aid not restricted to specific purposes	27.5	26.7
Other	0.2	0.5
Total revenue	44.7	44.2
Expenses		
Instruction	27.5	27.0
Support services	13.1	12.1
Athletics	0.5	0.4
Food services	1.3	1.4
Community services	0.5	0.4
Debt service	1.3	2.4
Total expenses	44.2	43.7
Change in Net Position	0.5	0.5
Net Position - Beginning of year	(63.3)	(63.8)
Cumulative Effect of Change in Accounting	(22.0)	-
Net Position - Beginning of year	(85.3)	(63.8)
Net Position - End of year	**$ (84.8)**	**$ (63.3)**

As reported in the statement of activities, the cost of all of our governmental activities this year was $44.2 million. Certain activities were partially funded from those who benefited from the programs ($1.3 million) or by other governments and organizations that subsidized certain programs with grants and contributions ($8.7 million). We paid for the remaining "public benefit" portion of our governmental activities with $7.0 million in taxes, $27.5 million in state foundation allowance, and with our other revenue (i.e., interest and general entitlements).

The School District experienced an increase in net position of $0.5 million. A key reason for the change in net position was funding from the Wayne County Educational Enhancement Millage.

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 $1.6 million, which is a decrease of $0.5 million from last year. The primary reasons for the decrease are as follows:

In the General Fund, our principal operating fund, the fund balance increased $50 thousand to $1.3 million. The change is mainly due to a $1.6 million transfer in of Enhancement Millage funds from the Capital Projects Fund to cover losses from operations.

Fund balance of our Cafeteria Fund decreased $19 thousand this year to $6 thousand as a result of expenditures in excess of revenue.

The fund balance of our Refunding - Debt Service Fund increased $0.2 million. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt service fund balances are reserved since they can only be used to pay debt service obligations.

The fund balance of our Capital Projects Fund decreased $0.8 million. This decrease is primarily due to expenditures related to capital improvements and a $1.6 million transfer to the General Fund to fund operations.

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 2018. A schedule showing the School District’s original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

There were significant revisions made to the 2017-2018 original budget. Budgeted revenue was increased $0.4 million due to the increase in state aid membership of 26 students at $7,659 per pupil. Other factors included in the first budget amendment were an increase in discretionary payments from the State based on special education reports and the additional one-time 147c2 MPSERS payment.

Budgeted expenditures were also increased $2.3 million to account for the increase in salaries, insurance, and retirement. The amount of transfers from other funds established in the amended budget was $1.5 million and represents the transfer from the Capital Projects Fund.

There were no significant variances between the final budget and actual amounts other than in the business support function, which was a result of unexpected adjustments related to prior years.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2018, the School District had $55.5 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net decrease (including additions, disposals, and depreciation) of approximately $1.4 million.

	2018	2017
Land	$ 20,800	$ 20,800
Buildings and improvements	53,643,942	54,833,340
Furniture and equipment	1,582,858	1,803,385
Buses and other vehicles	212,591	155,695
Total capital assets - Net of accumulated depreciation	**$ 55,460,191**	**$ 56,813,220**

This year's additions of $0.5 million included building renovations and buses. No major capital projects are planned for the 2018-2019 fiscal year. We anticipate capital additions will be comparable to this year. We present more detailed information about our capital assets in the notes to the financial statements.

Debt

At the end of this year, the School District had $59.4 million in bonds outstanding versus $62.4 million in the previous year.

The School District’s general obligation bond rating A. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District’s boundaries. If the School District issues "qualified debt" (i.e., debt backed by the State of Michigan), such obligations are not subject to this debt limit. The School District has no outstanding unqualified general obligation debt.

Other obligations include accrued sick leave. We present more detailed information about our long-term liabilities in the notes 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 2018-2019 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2018-2019 budget was adopted in June 2018 based on an estimate of students who will enroll in September 2018. Approximately 81 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot access additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State’s ability to fund local school operations. Based on early enrollment data at the start of the 2018 school year, we anticipate that the fall student count will be close to the estimates used in creating the 2018-2019 proposed budget. Once the final student count and related per pupil funding are validated, state law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations.

Since the School District's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue to fund its appropriation to the School District. The State periodically holds a revenue-estimating conference to estimate revenue. Based on the results of the most recent conference, the State estimates funds are sufficient to fund the appropriation, including a foundation allowance increase of $238 per pupil. Due to increases in the state required contribution to the retirement system and increases in healthcare costs, the School District estimates that the net increase in per-pupil funding to fund other operating costs will be $186 per pupil.

Contacting the School District's Management

This financial report is intended to provide our taxpayers, parents, and investors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the business office.

Statement of Net Position

June 30, 2018

	Governmental Activities
Assets	
Cash and investments (Note 4)	$ 85,283
Receivables:	
Accounts receivable	37,678
Due from other governmental units	6,736,753
Inventory	4,817
Prepaid expenses and other assets	222,451
Restricted assets (Note 2)	247,329
Capital assets - Net (Note 6)	55,460,191
Total assets	62,794,502
Deferred Outflows of Resources	
Deferred charges on bond refunding (Note 8)	1,269,614
Deferred pension costs (Note 11)	15,620,510
Deferred OPEB costs (Note 11)	1,214,170
Total deferred outflows of resources	18,104,294
Liabilities	
Accounts payable	880,258
Accrued liabilities and other	4,595,859
State aid anticipation note (Note 10)	286,017
Unearned revenue (Note 5)	327,354
Noncurrent liabilities:	
Due within one year (Note 8)	12,541,303
Due in more than one year (Note 8)	54,794,399
Net pension liability (Note 11)	63,817,653
Net OPEB obligation (Note 11)	21,770,390
Total liabilities	159,013,233
Deferred Inflows of Resources (Note 11)	
Other deferred inflows	2,524,565
Deferred pension cost reductions	3,475,260
Deferred OPEB cost reductions	735,998
Total deferred inflows of resources	6,735,823
Net Position	
Net investment in capital assets	(9,528,006)
Unrestricted	(75,322,254)
Total net position	**$ (84,850,260)**

See notes to financial statements.

Statement of Activities

Year Ended June 30, 2018

		Program Revenue		Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Primary government - Governmental activities:				
Instruction	$ 27,533,392	$ 30,710	$ 5,221,035	$ (22,281,647)
Support services	13,077,697	89,315	2,811,326	(10,177,056)
Athletics	450,330	49,591	-	(400,739)
Food services	1,344,290	527,588	713,810	(102,892)
Community services	477,323	603,889	-	126,566
Interest	1,311,382	-	-	(1,311,382)
Total primary government	**$ 44,194,414**	**$ 1,301,093**	**$ 8,746,171**	(34,147,150)

General revenue:	
Taxes:	
Property taxes, levied for general purposes	1,852,392
Property taxes, levied for debt service	5,190,344
State aid not restricted to specific purposes	27,465,882
Interest and investment earnings	24,514
Loss on sale of capital assets	(59)
Other	114,582
Total general revenue	34,647,655
Change in Net Position	500,505
Net Position - Beginning of year, as previously reported	(63,289,208)
Cumulative Effect of Change in Accounting (Note 2)	(22,061,557)
Net Position - Beginning of year	(85,350,765)
Net Position - End of year	**$ (84,850,260)**

Governmental Funds Balance Sheet

June 30, 2018

	General Fund	Refunding - Debt Service	Capital Projects Fund	Nonmajor Fund - Cafeteria	Total Governmental Funds
Assets					
Cash and investments (Note 4)	$ 85,133	$ -	$ -	$ 150	$ 85,283
Receivables:					
Accounts receivable	-	-	-	37,678	37,678
Due from other governmental units	6,524,811	-	211,942	-	6,736,753
Due from other funds (Note 7)	223,903	-	-	-	223,903
Inventory	-	-	-	4,817	4,817
Prepaid expenses and other assets	222,451	-	-	-	222,451
Restricted assets (Note 2)	-	247,329	-	-	247,329
Total assets	**$ 7,056,298**	**$ 247,329**	**$ 211,942**	**$ 42,645**	**$ 7,558,214**
Liabilities					
Accounts payable	$ 876,983	$ -	$ -	$ 3,275	$ 880,258
Due to other funds (Note 7)	-	-	211,942	11,961	223,903
Accrued liabilities and other	4,261,242	-	-	-	4,261,242
State aid anticipation note (Note 10)	286,017	-	-	-	286,017
Unearned revenue (Note 5)	305,887	-	-	21,467	327,354
Total liabilities	5,730,129	-	211,942	36,703	5,978,774
Fund Balances					
Nonspendable	222,451	-	-	4,817	227,268
Restricted:					
Debt service	-	247,329	-	-	247,329
Food service	-	-	-	1,125	1,125
Unassigned	1,103,718	-	-	-	1,103,718
Total fund balances	1,326,169	247,329	-	5,942	1,579,440
Total liabilities and fund balances	**$ 7,056,298**	**$ 247,329**	**$ 211,942**	**$ 42,645**	**$ 7,558,214**

See notes to financial statements.

Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2018

Fund Balances Reported in Governmental Funds	$	1,579,440
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Cost of capital assets		87,977,306
Accumulated depreciation		(32,517,115)
Net capital assets used in governmental activities		55,460,191
Deferred inflows and outflows related to bond refundings are not reported in the funds		1,269,614
Bonds payable are not due and payable in the current period and are not reported in the funds		(66,257,811)
Accrued interest is not due and payable in the current period and is not reported in the funds		(334,617)
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:		
Employee compensated absences		(1,077,891)
Net pension liability and related deferred inflows and outflows		(51,672,403)
Net OPEB liability and related deferred inflows and outflows		(21,292,218)
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		(2,524,565)
Net Position of Governmental Activities	**$**	**(84,850,260)**

Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2018

	General Fund	Refunding - Debt Service	Capital Projects Fund	Nonmajor Funds - Cafeteria	Total Governmental Funds
Revenue					
Local sources	$ 2,747,283	$ 5,200,255	$ 4,075	$ 531,312	$ 8,482,925
State sources	32,068,446	-	-	64,154	32,132,600
Federal sources	1,203,306	-	-	653,763	1,857,069
Interdistrict sources	835,818	-	1,403,540	-	2,239,358
Total revenue	36,854,853	5,200,255	1,407,615	1,249,229	44,711,952
Expenditures					
Current:					
Instruction	25,393,298	-	-	-	25,393,298
Support services	12,064,937	-	-	-	12,064,937
Athletics	438,475	-	-	-	438,475
Food services	-	-	-	1,255,454	1,255,454
Community services	425,041	-	-	-	425,041
Debt service:					
Principal	-	2,950,000	-	-	2,950,000
Interest	-	2,400,000	-	-	2,400,000
Capital outlay	102,729	-	543,218	12,587	658,534
Total expenditures	38,424,480	5,350,000	543,218	1,268,041	45,585,739
Excess of Revenue (Under) Over Expenditures	(1,569,627)	(149,745)	864,397	(18,812)	(873,787)
Other Financing Sources (Uses)					
School Bond Loan Revolving Fund proceeds	-	345,106	-	-	345,106
Transfers in (Note 7)	1,620,227	-	-	-	1,620,227
Transfers out (Note 7)	-	-	(1,620,227)	-	(1,620,227)
Total other financing sources (uses)	1,620,227	345,106	(1,620,227)	-	345,106
Net Change in Fund Balances	50,600	195,361	(755,830)	(18,812)	(528,681)
Fund Balances - Beginning of year	1,275,569	51,968	755,830	24,754	2,108,121
Fund Balances - End of year	**$ 1,326,169**	**$ 247,329**	**$ -**	**$ 5,942**	**$ 1,579,440**

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, 2018

Net Change in Fund Balances Reported in Governmental Funds	$	(528,681)
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		(1,353,029)
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		(95,317)
Revenue in support of pension contributions made subsequent to the measurement date		(438,566)
Issuing debt, net of premiums and discounts, provides current financial resources to governmental funds, but increases long-term liabilities in the statement of net position		(345,106)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt); amortization of premium/discounts and inflows/outflows related to bond refundings are not expenses in the governmental funds		3,982,221
Interest expense is recognized in the government-wide statements as it accrues		56,397
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		(777,414)
Change in Net Position of Governmental Activities	**$**	**500,505**

Fiduciary Funds
Statement of Fiduciary Assets and Liabilities

June 30, 2018

	Student Activity Fund
Assets - Cash (Note 4)	**$ 454,567**
Liabilities	
Accounts payable	$ 34,263
Due to student groups	420,304
Total liabilities	**$ 454,567**

See notes to financial statements.

Note 1 - Nature of Business

Allen Park Public Schools (the "School District") is a school district in the state of Michigan that provides educational services to students.

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 School District is governed by an elected seven-member Board of Education. In accordance with government accounting principles, there are no separate legal entities appropriate 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. 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 and (2) operating grants and contributions. Taxes 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 these statements.

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

Fund Accounting

<u>Governmental Funds</u>

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Refunding - Debt Service Fund is a debt service fund that is used to record tax and interest revenue and the payment of interest, principal, and other expenditures on long-term debt.
- The nonbonded Capital Projects Fund is used to record revenue and the disbursement of monies specifically for acquiring new equipment and minor remodeling and repairs.

Note 2 - Significant Accounting Policies (Continued)

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 to expenditure for specified purposes. The School District's only special revenue fund is the Cafeteria Fund. The Cafeteria Fund's primary source of revenue is from federal grants and customer sales. Any operating deficit generated by this activity is the responsibility of the General Fund.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate the School District's programs. The School District maintains a Student Activity (Agency) Fund to record the transactions of student groups for school and school-related purposes. The funds are segregated and held in trust for the students.

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.

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.

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 government 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 healthcare-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures 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.

Fiduciary funds 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.

Note 2 - Significant Accounting Policies (Continued)

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds, other than the Cafeteria Fund, are recorded as expenditures when consumed rather than when purchased. Inventories of the Cafeteria Fund, including United States Department of Agriculture commodities, are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

The following amounts are reported as restricted assets:

- Unspent property taxes levied held in the debt service funds required to be set aside for future bond principal and interest payments

Capital Assets

Capital assets are reported in the applicable governmental financial 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. 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.

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

	Depreciable Life - Years
Buildings and improvements	20 to 50
Furniture and equipment	5 to 20
Buses and other vehicles	5 to 10

Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the 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 as an “other financing source,” as well as bond premiums and discounts.

Deferred Outflows/Inflows of Resources

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

Note 2 - Significant Accounting Policies (Continued)

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

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

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.

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 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 assets 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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 of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, 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.

Note 2 - Significant Accounting Policies (Continued)

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

The Board of Education has adopted a fund balance policy. At its discretion, the Board of Education may maintain a minimum unassigned fund balance in the General Fund to protect against cash flow shortfalls related to timing of projected revenue receipts to maintain a budget stabilization commitment.

Property Tax Revenue

Properties are assessed as of December 31, and the related property taxes become a lien on July 1 of the following year for approximately 50 percent of the taxes that are due on August 15 and on December 1 for the remainder of the property taxes that are due on February 14. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed and the total obligation is added to county tax rolls. Any delinquent taxes collected by the county are remitted to the School District by June 30. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

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 purposes 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 (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. MPSERS 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.

Compensated Absences (Sick Leave)

It is the School District's policy to permit employees to accumulate earned but unused sick pay benefits. Sick pay is accrued for the estimated amount that the School District will pay upon employment termination. This liability is reported in the government-wide financial statements. A liability is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation are used to liquidate the obligations.

Note 2 - Significant Accounting Policies (Continued)

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 Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The School District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2020.

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The School District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2021.

Adoption of New Accounting Pronouncement

As of July 1, 2017, the School District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the School District to recognize on the face of the financial statements its proportionate share of the net OPEB liability related to its participation in the Michigan Public School Employees' Retirement System (MPSERS). The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI).

In accordance with the statement, the School District has reported a net OPEB liability of $22,962,938, deferred outflows of financial resources for OPEB contributions of $1,607,290 made subsequent to the measurement date, and deferred inflows of financial resources for revenue received from State Aid in support of OPEB contributions of $705,909 that was received subsequent to the measurement date, as the effects of these changes in accounting principles on the School District's net position as of July 1, 2017.

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 Fund and special revenue fund, except that capital outlay is budgeted in other expenditure categories. 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. The School District revised budgeted amounts during the year when final funding information became known.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, 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. The School District had no encumbrances outstanding at year end.

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the School District incurred expenditures in the General Fund that were in excess of the amounts budgeted, as follows:

	Budget	Actual
Support services - Business	$ 598,807	$ 893,756

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 not 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 two banks for the deposit of its funds.

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

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 does not have a deposit policy for custodial credit risk. At year end, the School District had $382,456 of bank deposits (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. As a result, the School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Note 4 - Deposits and Investments (Continued)

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, brokers/dealers, intermediaries, and advisors with which the School District will do business, using the criteria established in the investment policy. At June 30, 2018, the School District does not have investments with custodial credit risk.

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 does not restrict investment maturities, other than commercial paper, which can only be purchased with a maximum 270-day maturity. The School District's investment policy minimizes interest rate risk by structuring of the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market, and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the School District's cash requirements. At June 30, 2018, the School District does not have investments with interest rate risk.

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.

Concentration of Credit Risk

The School District's investment policy 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. At June 30, 2018, the School District does not have any investments subject to concentration of credit risk.

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 - 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, 2018, the School District had no unavailable revenue and had $327,354 of unearned revenue, primarily related to categorical aid payments received prior to meeting all eligibility requirements and payments for programs received in advance of providing related services.

Note 6 - Capital Assets

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

Governmental Activities

	Balance July 1, 2017	Additions	Disposals and Adjustments	Balance June 30, 2018
Capital assets not being depreciated - Land	$ 20,800	$ -	$ -	$ 20,800
Capital assets being depreciated:				
Buildings and improvements	77,382,290	235,374	-	77,617,664
Furniture and equipment	8,907,299	180,465	-	9,092,764
Buses and other vehicles	1,139,414	111,664	-	1,251,078
Subtotal	87,429,003	527,503	-	87,961,506
Accumulated depreciation:				
Buildings and improvements	22,548,950	1,504,147	(79,375)	23,973,722
Furniture and equipment	7,103,914	321,558	79,434	7,509,906
Buses and other vehicles	983,719	54,768	-	1,038,487
Subtotal	30,636,583	1,880,473	59	32,522,115
Net capital assets being depreciated	56,792,420	(1,352,970)	(59)	55,439,391
Net governmental activities capital assets	$ 56,813,220	$ (1,352,970)	$ (59)	$ 55,460,191

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
Instruction	$ 1,184,698
Support services	601,751
Community services	37,610
Food services	56,414
Total governmental activities	$ 1,880,473

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

	Fund Due From		
Fund Due To	Cafeteria Fund	Capital Projects Fund	Total
General Fund	$ 11,961	$ 211,942	$ 223,903

These balances result from the time lag between the dates that reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Transfers from the Capital Projects Fund to the General Fund totaling $1,620,227 were approved by the Board of Education and provided funding to cover operating losses.

Note 8 - Long-term Debt

Long-term debt activity for the year ended June 30, 2018 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligations	$ 62,360,000	$ -	$ (2,950,000)	$ 59,410,000	$ 12,000,000
Unamortized bond premiums	8,796,831	-	(2,294,126)	6,502,705	433,514
Unamortized bond discounts	(21,786)	-	21,786	-	-
Total bonds payable	71,135,045	-	(5,222,340)	65,912,705	12,433,514
School bond loan fund	-	345,106	-	345,106	-
Compensated absences	1,044,811	33,080	-	1,077,891	107,789
Total governmental activities long-term debt	$ 72,179,856	$ 378,186	$ (5,222,340)	$ 67,335,702	$ 12,541,303

The School District had deferred outflows of $1,269,614 related to deferred charges on bond refundings at June 30, 2018.

General Obligation Bonds and Contracts

The School District issues general obligation bonds to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The School District's qualified bonds are fully guaranteed by the State of Michigan. General obligations outstanding at June 30, 2018 are as follows:

Purpose	Remaining Annual Installments	Remaining Interest Rates (Percent)	Maturing May 1	Outstanding
$40,780,000 unlimited tax qualified refunding bonds	$100,000 - $9,050,000	4.00 - 5.00	2033	$ 34,830,000
$25,030,000 unlimited tax qualified refunding bonds	$12,000,000 - $12,580,000	2.50	2020	24,580,000
Total governmental activities				$ 59,410,000

Other Long-term Liabilities

Compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund.

Note 8 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

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

	Governmental Activities		
Years Ending June 30	Principal	Interest	Total
2019	$ 12,000,000	$ 2,326,000	$ 14,326,000
2020	12,580,000	2,026,000	14,606,000
2021	9,050,000	1,671,000	10,721,000
2022	3,475,000	1,230,500	4,705,500
2023	3,650,000	1,056,750	4,706,750
2024-2028	18,155,000	2,372,875	20,527,875
Thereafter	500,000	52,000	552,000
Total	$ 59,410,000	$ 10,735,125	$ 70,145,125

School Bond Loan

The school bond loan payable represents notes payable to the State of Michigan for loans made to the School District, as authorized by the 1963 State of Michigan Constitution, for the purpose of paying principal and interest on general obligation bonds of the School District issued for capital expenditures. Interest rates are to be annually determined by the State Administrative Board. Interest, at the annual rate ranging from 3.10 to 3.16 percent from April 23, 2018 (date of borrowing) to June 30, 2018, has been assessed for the year ended June 30, 2018. Repayment is required when the millage rate necessary to cover the annual bonded debt service falls below 12 mills. The School District is required to levy 12 mills and repay to the State any excess of the amount levied over the bonded debt service requirements. Due to the variability of the factors that affect the timing of repayment, including the future amount of state-equalized value of property in the School District, no provision for repayment has been included in the above amortization schedule.

Note 9 - 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 health claims. The School District participates in the SET-SEG shared risk pool program for claims relating to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The School District is self-insured for vision and dental claims for certain employees. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The shared-risk pool program in which the School District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The School District estimates the liability for dental and vision claims that have been incurred through the end of the fiscal year, including claims that have been reported, as well as those that have not yet been reported. The estimated liabilities and expenditures incurred are not significant to the financial statements.

Note 10 - State Aid Anticipation Note

The School District borrows money to provide sufficient resources before receiving its scheduled state aid from the State of Michigan. This liability is recorded as a fund liability in the General Fund.

At June 30, 2017, the School District had $1,441,103 of state aid notes outstanding, which were set aside at 0.76 to 1.20 percent interest. During the year, the School District redeemed these notes and issued new notes of $2,000,000, which were set aside at 1.27 percent interest and resulted in an outstanding balance of $286,017 at June 30, 2018. The notes were paid in full in July 2018.

In August 2018, the School District borrowed $3,500,000 in state aid anticipation notes, which are set aside at 1.75 percent interest. The notes mature in August 2019.

Note 11 - Michigan Public School Employees' Retirement System

Plan Description

The School District participates in the Michigan Public School Employees' Retirement System (MPSERS or 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 healthcare benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment healthcare 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 supplemental information for the pension and postemployment healthcare plans. That report is available on the web at http://www.michigan.gov/orsschools, or by writing to the Office of Retirement System (ORS) at 7150 Harris Drive, P.O. Box 30171, Lansing, MI 48909.

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment healthcare plan are established by state statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit pension plan and the postemployment healthcare 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 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.

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

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 in which 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 healthcare recipient. Depending on the member’s date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

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

The School District's contributions are determined based on employee elections. There are multiple different pension and healthcare 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 range of rates is as follows:

	Pension	OPEB
October 1, 2017 - January 31, 2018	13.54% - 17.89%	7.42% - 7.67%
February 1, 2018 - September 30, 2018	13.54% - 19.74%	7.42% - 7.67%

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.

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

The School District's required and actual pension contributions to the plan for the year ended June 30, 2018 were $6,767,476, which include the School District's contributions required for those members with a defined contribution benefit. The School District's required and actual pension contributions include an allocation of $2,524,565 in revenue received from the State of Michigan, and remitted to the System, to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2018. For the year ended June 30, 2018, the contributions also include a one-time payment to the School District received under Section 147c(2) of the State Aid act, which the School District then remitted as a contribution to the plan.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2018 were $1,469,029, which include the School District's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2018, the School District reported a liability of $63,817,653 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2016, which used updated procedures to roll forward the estimated liability to September 30, 2017. 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, 2017 and 2016, the School District's proportion was 0.25% and 0.24%, respectively.

Net OPEB Liability

At June 30, 2018, the School District reported a liability of $21,770,390 for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2018 was measured as of September 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2016, which used updated procedures to roll forward the estimated liability to September 30, 2017. 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, 2017 and 2016, the School District’s proportion was 0.25% of MPSERS in total.

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

For the year ended June 30, 2018, the School District recognized pension expense of $7,713,645, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2018, 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	$ 554,619	$ (313,140)
Changes in assumptions	6,991,731	-
Net difference between projected and actual earnings on pension plan investments	-	(3,050,904)
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	2,851,978	(111,216)
The School District's contributions to the plan subsequent to the measurement date	5,222,182	-
Total	$ 15,620,510	$ (3,475,260)

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

The $2,524,565 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, 2019. 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
2019	$ 2,261,429
2020	3,208,482
2021	1,474,638
2022	(21,481)
Total	$ 6,923,068

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, 2018, the School District recognized OPEB expense of $1,466,292.

At June 30, 2018, 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	$ -	$ (231,791)
Net difference between projected and actual earnings on OPEB plan investments	-	(504,207)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	45,292	-
Employer contributions to the plan subsequent to the measurement date	1,168,878	-
Total	$ 1,214,170	$ (735,998)

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
2019	$ (167,733)
2020	(167,733)
2021	(167,733)
2022	(167,733)
2023	(19,774)
Total	$ (690,706)

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

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2017 is based on the results of an actuarial valuation as of September 30, 2016 and rolled forward. The total pension and OPEB liability was determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal cost actuarial cost method
Investment rate of return - Pension	7.00% - 7.50%	Net of investment expenses based on the groups
Investment rate of return - OPEB	7.50%	Net of investment expenses based on the groups
Salary increases	3.50% - 12.30%	Including wage inflation of 3.50 percent
Healthcare cost trend rate	7.50%	Year 1 graded to 3.5 percent year 12
Mortality basis		RP2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2025 using projection scale BB
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

Assumption changes as a result of an experience study for the periods from 2007 to 2012 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2014 valuation.

Discount Rate

The discount rate used to measure the total pension liability was 7.00 - 7.50 percent as of September 30, 2017 depending on the plan option. The discount rate used to measure the total OPEB liability was 7.50 percent as of September 30, 2017. 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	28.00 %	5.60 %
Private equity pools	18.00	8.70
International equity pools	16.00	7.20
Fixed-income pools	10.50	(0.10)
Real estate and infrastructure pools	10.00	4.20
Real return, opportunistic, and absolute pool	15.50	5.00
Short-term investment pools	2.00	(0.90)
Total	100.00 %	

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

MPSERS approved a decrease in the discount rate for the September 30, 2017 annual actuarial valuation for the pension plan and the OPEB plan to 7.05 percent and 7.15 percent, respectively. As a result, the actuarial computed employer contributions, the net pension liability, and net OPEB liability will increase for the measurement period ended September 30, 2018.

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 Percent Decrease (6.00 - 6.50%)	Current Discount Rate (7.00 - 7.50%)	1 Percent Increase (8.00 - 8.50%)
Net pension liability of the School District	$ 83,133,175	$ 63,817,653	$ 47,555,213

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 Percent Decrease (6.50%)	Current Discount Rate (7.50%)	1 Percent Increase (8.50%)
Net OPEB liability of the School District	$ 25,499,419	$ 21,770,390	$ 18,605,612

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

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

	1 Percent Decrease (6.50%)	Current Discount Rate (7.50%)	1 Percent Increase (8.50%)
Net OPEB liability of the School District	$ 18,436,594	$ 21,770,390	$ 25,555,683

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, 2018, the School District reported a payable of $1,209,593 and $225,703 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2018.

Note 12 - Contingent Liabilities

The School District is subject to various legal proceedings and claims which arise in the ordinary course of its business. The School District believes that the amount, if any, of ultimate liability with respect to legal actions will be insignificant or will be covered by insurance.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	$ 2,925,020	$ 2,486,936	$ 2,747,283	$ 260,347
State sources	32,025,693	32,555,453	32,068,446	(487,007)
Federal sources	1,227,618	1,346,912	1,203,306	(143,606)
Interdistrict sources	620,663	763,221	835,818	72,597
Total revenue	36,798,994	37,152,522	36,854,853	(297,669)
Expenditures				
Current:				
Instruction:				
Basic programs	19,986,927	21,222,519	20,812,799	(409,720)
Added needs	4,469,011	4,840,479	4,597,773	(242,706)
Support services:				
Pupil	2,435,443	2,795,791	2,676,809	(118,982)
Instructional staff	1,270,370	1,453,407	1,543,556	90,149
General administration	472,457	466,385	487,811	21,426
School administration	2,165,378	2,045,220	2,048,268	3,048
Business	504,892	598,807	893,756	294,949
Operations and maintenance	2,810,799	2,906,877	2,971,082	64,205
Pupil transportation services	486,733	542,323	542,545	222
Central	951,022	891,105	893,294	2,189
Other	61,650	58,583	58,022	(561)
Athletics	463,135	469,726	473,724	3,998
Community services	318,245	413,248	425,041	11,793
Total expenditures	36,396,062	38,704,470	38,424,480	(279,990)
Excess of Revenue Over (Under) Expenditures	402,932	(1,551,948)	(1,569,627)	(17,679)
Other Financing Sources (Uses)				
Transfers in	30,000	1,527,000	1,620,227	93,227
Transfers out	-	(22,202)	-	22,202
Total other financing sources	30,000	1,504,798	1,620,227	115,429
Net Change in Fund Balance	432,932	(47,150)	50,600	97,750
Fund Balance - Beginning of year	1,275,569	1,275,569	1,275,569	-
Fund Balance - End of year	**$ 1,708,501**	**$ 1,228,419**	**$ 1,326,169**	**$ 97,750**

See notes to required supplemental information.

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

Last Four Plan Years

Plan Years Ended September 30

	2017	2016	2015	2014
School District's proportion of the net pension liability	0.24626 %	0.24275 %	0.23292 %	0.22401 %
School District's proportionate share of the net pension liability	$ 63,817,653	$ 60,564,655	$ 56,891,456	$ 49,341,131
School District's covered employee payroll	$ 20,526,187	$ 20,802,738	$ 19,286,209	$ 19,023,131
School District's proportionate share of the net pension liability as a percentage of its covered employee payroll	310.91 %	291.14 %	294.99 %	259.37 %
Plan fiduciary net position as a percentage of total pension liability	63.96 %	63.01 %	62.92 %	66.20 %

See notes to required supplemental information.

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

Last Four Fiscal Years

Years Ended June 30

	2018	2017	2016	2015
Statutorily required contribution	$ 6,180,894	$ 5,712,984	$ 4,493,383	$ 3,883,548
Contributions in relation to the statutorily required contribution	6,180,894	5,712,984	4,493,383	3,883,548
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**
School District's Covered Employee Payroll	$ 20,352,656	$ 20,373,650	$ 19,920,005	$ 19,506,867
Contributions as a Percentage of Covered Employee Payroll	30.37 %	28.04 %	22.56 %	19.91 %

See notes to required supplemental information.

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

Last Plan Year

Plan Year Ended September 30

	2017
School District's proportion of the net OPEB liability	0.24584 %
School District's proportionate share of the net OPEB liability	$ 21,770,390
School District's covered employee payroll	$ 20,526,187
School District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	106.06 %
Plan fiduciary net position as a percentage of total OPEB liability	36.53 %

See notes to required supplemental information.

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

Last Fiscal Year

Year Ended June 30

	2018
Statutorily required contribution	$ 1,469,029
Contributions in relation to the statutorily required contribution	1,469,029
Contribution Deficiency	**$ -**
School District's Covered Employee Payroll	$ 20,352,656
Contributions as a Percentage of Covered Employee Payroll	7.22 %

See notes to required supplemental information.

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.

Benefit Changes

There were no changes of benefit terms in 2017.

Changes in Assumptions

On February 23, 2017, MPSERS approved a decrease in the discount rate for the September 30, 2016 annual actuarial valuation of 0.5 percent to 7.00-7.50 percent based on the group.

Covered Payroll

The employers' covered payroll to be reported in the required supplemental information is defined by GASB 82, *Pension Issues - An Amendment to GASB Statements No. 67, No. 68, and No. 73*, as payroll on which contributions to a pension plan are based and by GASB 85, *Omnibus 2017*, as payroll on which contributions to the OPEB plan are based. For the School District, covered payroll represents payroll on which contributions to both plans are based.

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 in 2017.

Changes in Assumptions

There were no changes of benefit assumptions in 2017.

Covered Payroll

The employers' covered payroll to be reported in the required supplemental information is defined by GASB 82, *Pension Issues - An Amendment to GASB Statements No. 67, No. 68, and No. 73*, as payroll on which contributions to a pension plan are based and by GASB 85, *Omnibus 2017*, as payroll on which contributions to the OPEB plan are based. For the School District, covered payroll represents payroll on which contributions to both plans are based.

Other Supplemental Information

Other Supplemental Information
Schedule of Bonded Indebtedness

June 30, 2018

Years Ending June 30	2016 Refunding Principal	2015 Refunding Principal	Total
2019	$ -	$ 12,000,000	$ 12,000,000
2020	-	12,580,000	12,580,000
2021	9,050,000	-	9,050,000
2022	3,475,000	-	3,475,000
2023	3,650,000	-	3,650,000
2024	3,830,000	-	3,830,000
2025	4,020,000	-	4,020,000
2026	4,215,000	-	4,215,000
2027	4,425,000	-	4,425,000
2028	1,665,000	-	1,665,000
2029	100,000	-	100,000
2030	100,000	-	100,000
2031	100,000	-	100,000
2032	100,000	-	100,000
2033	100,000	-	100,000
Total remaining payments	**$ 34,830,000**	**$ 24,580,000**	**$ 59,410,000**
Remaining interest rate	4.00% - 5.00%	2.5%	
Original issue	**$ 40,780,000**	**$ 25,030,000**	

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.