

School District of the City of Wyandotte

Financial Statements

June 30, 2019



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School District of the City of Wyandotte
Members of the Board of Education and Administration
June 30, 2019

Members of the Board of Education

Cynthia Kinney – President

Robert E. Kirby – Vice President

Patrick Sutka – Treasurer

Dana L. Browning – Secretary

Theresa Crnkovich– Trustee

Stephanie Miello – Trustee

Michael Swiecki – Trustee

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Catherine M. Cost, Ed.D. – Superintendent



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Independent Auditors' Report

Management and the Board of Education
School District of the City of Wyandotte
Wyandotte, Michigan

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of the City of Wyandotte, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the school district's proportionate share of the net pension liability, schedule of the school district's pension contributions, schedule of the school district's proportionate share of the net OPEB liability, and schedule of the school district's OPEB contributions identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District of the City of Wyandotte's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplementary information, as identified in the table of contents, is the responsibility of management and, other than the prior year information, 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 supplementary information, other than the prior year information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior Year Supplementary Information

We also have previously audited, 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, the School District of the City of Wyandotte's basic financial statements as of and for the year ended June 30, 2018, which are not presented with the accompanying basic financial statements. In our report dated October 29, 2018, we expressed unmodified opinions on the respective basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the School District of the City of Wyandotte's basic financial statements as a whole. The 2018 information in the comparative supplementary schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2018 information in the comparative supplementary schedule is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2019 on our consideration of the School District of the City of Wyandotte's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District of the City of Wyandotte's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District of the City of Wyandotte's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Ann Arbor, MI
October 22, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2019**

The School District of the City of Wyandotte ("the District"), a K-12 School District located in Wayne County, Michigan, complies with the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34) with the enclosed financial statements. The management's discussion and analysis, a requirement of GASB 34, is intended to be the District management's discussion and analysis of the financial results for the fiscal year ended June 30, 2019.

Generally accepted accounting principles (GAAP), according to GASB 34, require the reporting of two types of financial statements: district-wide financial statements and fund financial statements.

Fund Financial Statements

The fund level financial statements are reported on a modified accrual basis. Only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual". In the State of Michigan, the District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in their relevant funds including: Debt Fund, Capital Projects Fund, Fiduciary Fund and Special Revenue Funds which are comprised of: Cafeteria, Josephine Brighton Work Skills Center and Madison Special Education Center.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. Future year's debt obligations are not recorded.

District-Wide Financial Statements

The district-wide financial statements are full accrual basis statements. They report all of the District's assets and liabilities, both short and long term, whether they are "currently available" or not. For example, assets that are restricted for use in the Debt Fund solely for the payment of long-term principal and interest are grouped with unrestricted assets of the General Fund. Capital assets and long-term obligations of the District are reported in the statement of net assets of the district-wide financial statements.

SCHOOL DISTRICT OF THE CITY OF WYANDOTTE

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

Summary of Net Position

The following is a comparative summary of net position at June 30, 2019 and June 30, 2018.

Net Position Summary

	June 30,	
	2019	2018
Assets		
Current assets	\$ 23,788,892	\$ 23,898,163
Capital assets, net book value	<u>54,277,517</u>	<u>58,512,022</u>
Total assets	<u>78,066,409</u>	<u>82,410,185</u>
Deferred Outflows of Resources		
Deferred amount of pension expense related to net pension liability	41,599,649	24,067,615
Deferred amount of OPEB expense related to net OPEB liability	7,069,229	2,316,720
Deferred amount on debt refunding	<u>74,825</u>	<u>105,546</u>
Total deferred outflows of resources	<u>48,743,703</u>	<u>26,489,881</u>
Total assets and deferred outflows of resources	<u>126,810,112</u>	<u>108,900,066</u>
Liabilities		
Current liabilities	10,974,612	11,913,007
Long-term liabilities	<u>199,321,294</u>	<u>185,582,830</u>
Total liabilities	210,295,906	197,495,837
Deferred Inflows of Resources		
Deferred amount of net pension liability	13,686,431	9,623,097
Deferred amount of net pension liability	<u>7,162,210</u>	<u>1,151,726</u>
Total liabilities and deferred inflows of resources	<u>231,144,547</u>	<u>208,270,660</u>
Net Position		
Net investment in capital assets	7,356,829	10,526,868
Restricted for debt service	4,180,017	3,533,741
Unrestricted	<u>(115,871,281)</u>	<u>(113,431,203)</u>
Total net position	<u>\$ (104,334,435)</u>	<u>\$ (99,370,594)</u>

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2019**

Analysis of Financial Position

During the fiscal year ended June 30, 2019, the District's net position decreased by \$4,963,841. A few of the significant factors affecting net assets during the year are discussed below:

A. General Fund Operations

The District's General Fund revenue exceeded expenditures by \$1,435,749 for the fiscal year ended June 30, 2019. See the section entitled Results of Operations for further discussion of General Fund operations.

B. Debt, Principal Payments

The District made principal payments on bonded, long-term debt obligations as follows:

Outstanding Bonds (Not including School Improvement and Energy Conservation Bonds):

Principal Balance, June 30, 2018	\$39,490,000
Debt issued	0
Principal Payments	<u>(1,290,000)</u>
Principal Balance, June 30, 2019	<u><u>\$38,200,000</u></u>

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2019**

C. Net Investment in Capital Assets

The District's net investment in capital assets decreased by \$3,242,006 during the fiscal year. This is summarized as follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
Capital assets	\$112,547,855	\$2,061,655	(\$992,499)	\$113,617,011
Less: accumulated depreciation	<u>(54,035,833)</u>	<u>(5,303,661)</u>	<u>-</u>	<u>(59,339,494)</u>
Net investment	<u>\$58,512,022</u>	<u>(\$3,242,006)</u>	<u>\$ -</u>	<u>\$ 54,277,517</u>

SCHOOL DISTRICT OF THE CITY OF WYANDOTTE

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

Results of Operations

The following is a comparative summary of operations for June 30, 2019 and June 30, 2018.

Revenues

	2019	2018
General revenues		
Property taxes levied for general operations	\$ 3,496,193	\$ 3,496,402
Property taxes levied for debt services	3,299,860	3,238,960
State of Michigan unrestricted foundation aid	31,217,863	29,230,160
Enhancement millage	1,891,668	1,634,929
Interest on investments	67,049	22,878
Other general revenues	654,720	29,617
Total general revenues	<u>40,627,353</u>	<u>37,652,946</u>
Operating grants and contributions		
Instruction	34,785,833	33,987,304
Supporting services	385,301	428,613
Food services	1,547,113	1,481,613
Total operating grants and contributions	<u>36,718,247</u>	<u>35,897,530</u>
Charges for services		
Instruction	2,635	6,344
Supporting services	1,014,452	1,025,919
Food services	492,128	501,701
Total charges for services	<u>1,509,215</u>	<u>1,533,964</u>
Total revenue	<u>78,854,815</u>	<u>75,084,440</u>

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

	<u>2019</u>	<u>2018</u>
Expenses		
Instruction	\$ 40,496,580	\$ 38,300,863
Supporting services	33,532,370	31,057,671
Food services	2,204,589	2,149,065
Community services	747,871	616,794
Interest and fiscal charges on long-term debt	1,533,585	1,607,875
Agency fees	-	2,025
Depreciation - unallocated	<u>5,303,661</u>	<u>5,259,425</u>
 Total expenses	 <u>83,818,656</u>	 <u>78,993,718</u>
 Increase (decrease) in net position	 (4,963,841)	 (3,909,278)
 Beginning net position	 <u>(99,370,594)</u>	 <u>(95,461,316)</u>
 Ending net position	 <u>\$ (104,334,435)</u>	 <u>\$ (99,370,594)</u>

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2019**

The State of Michigan's Foundation payment to school districts is determined with the following variables:

- a. State of Michigan State Aid Act per student foundation allowance
- b. Student Enrollment - blended at 90% of the current year's fall count and 10% of the prior year's spring count.
- c. The District's non-homestead tax levy reduced by Tax Increment Finance Authority (TIFA) capture.

Per Student, Foundation Allowance

Annually, the State of Michigan establishes the per student foundation allowance. The District's foundation allowance was \$7,871 per student for the 2018-19 school year.

Student Enrollment

The following chart summarizes fall student enrollments (non-blended) for the past five years; expressed as Full Time Equivalents (FTE):

	<u>General Ed</u>	<u>Center Program</u>	<u>Total</u>	<u>Increase/Decrease From Prior Year</u>
2018-19	4,153.84	642.24	4,796.08	21.79
2017-18	4,096.00	678.29	4,774.29	71.70
2016-17	4,014.08	688.51	4,702.59	60.65
2015-16	3,946.81	695.13	4,641.94	(25.72)
2014-15	3,971.30	696.36	4,667.66	(28.34)

Subsequent to year-end June 30, 2019, preliminary student enrollment counts for 2019-20 indicate that enrollment will be consistent as compared with 2018-19.

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2019**

2. Property Taxes Levied for General Operations (General Fund Non-Homestead Taxes)

The District levies 18 mills of property taxes for General Fund operations on non-homestead (business) properties. In 2006 the rate was reduced to 17.9190 due to the Headlee millage reduction fraction. In 2014 the full 18 mills were restored for a period of ten years, thru 2025. Under Michigan law, the taxable levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at the rate of the prior year's CPI increase or 5 percent, whichever is less. At the time of sale, a property's taxable valuation is readjusted to the state equalized value, which is theoretically, 50 percent of the market value.

The District's non-homestead property tax revenue for the 2018-19 fiscal year was \$3,496,193. Non-homestead tax revenue remained the same as prior year. The numbers reported in these financial statements are the last figures reported to the Michigan Department of Education.

Most of the District's non-homestead property is located in a TIFA district where the tax on any increase in valuation over the base year is "captured" in the TIFA.

The following summarizes the District's non-homestead property tax collections for the past five years:

<u>Fiscal Year</u>	<u>Non-Homestead Tax-Levy</u>	<u>% Increase (Decrease) From Prior Year</u>
2018-2019	\$3,536,455	0.0%
2017-2018	3,536,171	1.9%
2016-2017	3,471,072	(1.2%)
2015-2016	3,514,347	1.4%
2014-2015	3,465,896	3.2%

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2019**

3. Debt Fund Property Taxes

The District's debt fund levy, which is used to pay the principal and interest on bond obligations, is based on the taxable valuation of all properties: homestead and non-homestead.

For 2018-19, the District's debt millage levy was 6.0 mills which generated revenue of \$3,299,860.

4. Cafeteria Sales (School Lunch Program)

The District's Cafeteria Fund balance decreased by \$60,030.

SCHOOL DISTRICT OF THE CITY OF WYANDOTTE

**Management's Discussion and Analysis
or the Fiscal Year Ended June 30, 2019**

General Fund Budget - Actual Revenues and Expenditures

General Fund Revenue - 5-Year Comparison of Budget to Actual Results

<u>Fiscal Year</u>	Revenues Original Budget	Revenues Final Budget	Revenues Final Actual	Variance Revenues Actual vs. Original Budget	Variance Revenues Actual vs. Final Budget
2018-2019	\$ 45,877,062	\$ 47,830,699	\$ 51,057,347	11.29%	6.75%
2017-2018	43,900,694	46,951,439	47,458,900	8.11%	1.08%
2016-2017	41,344,979	45,644,809	45,759,074	10.68%	0.25%
2015-2016	39,084,545	43,132,787	45,495,684	16.40%	5.48%
2014-2015	38,857,610	40,715,619	40,690,728	4.72%	-0.06%

General Fund Expenditures - 5-Year Comparison of Budget to Actual Results

<u>Fiscal Year</u>	Expenditures Original Budget	Expenditures Final Budget	Expenditures Final Actual	Variance Expenditures Actual vs. Original Budget	Variance Expenditures Actual vs. Final Budget
2018-2019	\$ 47,211,351	\$ 48,322,883	\$ 49,621,598	5.11%	2.69%
2017-2018	44,169,504	45,461,652	46,083,472	4.33%	1.37%
2016-2017	42,414,160	42,861,981	42,941,537	1.24%	0.19%
2015-2016	39,478,640	41,533,872	44,970,417	13.91%	8.27%
2014-2015	39,326,479	40,157,103	41,045,511	4.37%	2.21%

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2019**

Original Budget vs. Final Budget Revision

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year.

The District amends its budget as necessary during the school year. For the fiscal year June 30, 2019, the budget was amended in June, 2019. The June, 2019 budget amendment was the only amended and final budget for the fiscal year.

Revenue

Total revenues original budget	\$45,877,062	
Total revenues final budget	<u>47,830,699</u>	
Increase in budgeted revenues	<u>\$ 1,953,637</u>	<u>4.3%</u>

The District's actual General Fund revenues differed from the final amended budget by \$3,226,648 a variance of 6.75% from final budget.

Expenditures

The District's budget for expenditures changed as follows during the year:

Total expenditures original budget	\$47,211,351	
Total expenditures final budget	<u>48,322,883</u>	
Increase in budgeted expenditures	<u>\$ 1,111,532</u>	<u>2.4%</u>

The District's final actual General Fund expenditures were \$1,298,715 greater than the final budget, a variance of 2.69%.

Contacting the District's Financial Management

The financial report is intended to provide our citizens and taxpayers with a general overview of the District's finances. If you have questions about this report or would like additional information, contact the Business Office, School District of the City of Wyandotte.

BASIC FINANCIAL STATEMENTS

School District of the City of Wyandotte
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>
Assets	
Cash	\$ 13,168,010
Taxes receivable	453,607
Accounts receivable	12,825
Due from other governmental units	9,651,720
Inventory	35,525
Investments	232,059
Prepaid items	235,146
Capital assets not being depreciated	1,374,160
Capital assets - net of accumulated depreciation	<u>52,903,357</u>
 Total assets	 <u>78,066,409</u>
 Deferred Outflows of Resources	
Deferred amount relating to the net pension liability	41,599,649
Deferred amount relating to the net OPEB liability	7,069,229
Deferred amount on debt refunding	<u>74,825</u>
 Total deferred outflows of resources	 <u>48,743,703</u>
 Total assets and deferred outflows of resources	 <u>126,810,112</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>
Liabilities	
Accounts payable	366,315
State aid anticipation note payable	2,662,000
Due to other governmental units	1,313,012
Accrued expenditures	957,852
Accrued payroll and related liabilities	5,237,065
Unearned revenue	438,368
Long-term liabilities	
Debt due within one year	2,314,415
Debt due in more than one year	46,277,191
Net pension liability	118,863,617
Net OPEB liability	<u>31,866,071</u>
 Total liabilities	 <u>210,295,906</u>
 Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	13,686,431
Deferred amount relating to the net OPEB liability	<u>7,162,210</u>
 Total deferred inflows of resources	 <u>20,848,641</u>
 Total liabilities and deferred inflows of resources	 <u>231,144,547</u>
 Net Position	
Net investment in capital assets	7,356,829
Restricted for	
Debt service	4,180,017
Unrestricted (deficit)	<u>(115,871,281)</u>
 Total net position	 <u>\$ (104,334,435)</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Statement of Activities
For the Year Ended June 30, 2019

		<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Functions/Programs				
Governmental activities				
Instruction	\$ 40,496,580	\$ 2,635	\$ 34,785,833	\$ (5,708,112)
Supporting services	33,532,370	1,014,452	385,301	(32,132,617)
Food services	2,204,589	492,128	1,547,113	(165,348)
Community services	747,871	-	-	(747,871)
Interest and fiscal charges on long-term debt	1,533,585	-	-	(1,533,585)
Depreciation - unallocated	5,303,661	-	-	(5,303,661)
Total governmental activities	<u>\$ 83,818,656</u>	<u>\$ 1,509,215</u>	<u>\$ 36,718,247</u>	<u>(45,591,194)</u>
General revenues				
Property taxes, levied for general purposes				3,496,193
Property taxes, levied for debt service				3,299,860
State aid - unrestricted				31,217,863
Enhancement millage				1,891,668
Interest and investment earnings				67,049
Other				<u>654,720</u>
Total general revenues				<u>40,627,353</u>
Change in net position				(4,963,841)
Net position - beginning				<u>(99,370,594)</u>
Net position - ending				<u>\$ (104,334,435)</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Governmental Funds
Balance Sheet
June 30, 2019

	General Fund	Josephine Brighton Work Skills Center Fund	Madison Special Education Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 10,461,798	\$ -	\$ -	\$ 2,706,212	\$ -	\$ 13,168,010
Taxes receivable	271,682	-	-	181,925	-	453,607
Accounts receivable	5,185	-	-	-	7,640	12,825
Due from other funds	147,883	355,009	1,658,362	1,566,468	234,909	3,962,631
Due from other governmental units	9,591,643	-	-	-	60,077	9,651,720
Inventory	18,729	-	-	-	16,796	35,525
Investments	-	-	-	-	232,059	232,059
Prepaid items	235,146	-	-	-	-	235,146
Total assets	\$ 20,732,066	\$ 355,009	\$ 1,658,362	\$ 4,454,605	\$ 551,481	\$ 27,751,523
Liabilities						
Accounts payable	\$ 321,845	\$ 4,494	\$ 8,559	\$ -	\$ 31,417	\$ 366,315
State aid anticipation note payable	2,662,000	-	-	-	-	2,662,000
Due to other funds	3,814,748	-	-	-	147,883	3,962,631
Due to other governmental units	805,296	-	507,716	-	-	1,313,012
Accrued expenditures	65,800	-	-	-	-	65,800
Accrued payroll and related liabilities	3,738,792	350,515	1,142,087	-	5,671	5,237,065
Unearned revenue	415,155	-	-	-	23,213	438,368
Total liabilities	11,823,636	355,009	1,658,362	-	208,184	14,045,191

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Governmental Funds
Balance Sheet
June 30, 2019

	General Fund	Josephine Brighton Work Skills Center Fund	Madison Special Education Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance						
Non-spendable						
Inventory	18,729	-	-	-	16,796	35,525
Prepaid items	235,146	-	-	-	-	235,146
Restricted for						
Food service	-	-	-	-	234,685	234,685
Debt service	-	-	-	4,454,605	-	4,454,605
Capital projects	-	-	-	-	91,816	91,816
Unassigned	<u>8,654,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,654,555</u>
 Total fund balance	<u>8,908,430</u>	<u>-</u>	<u>-</u>	<u>4,454,605</u>	<u>343,297</u>	<u>13,706,332</u>
 Total liabilities and fund balance	<u>\$ 20,732,066</u>	<u>\$ 355,009</u>	<u>\$ 1,658,362</u>	<u>\$ 4,454,605</u>	<u>\$ 551,481</u>	<u>\$ 27,751,523</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2019

Total fund balances for governmental funds \$ 13,706,332

Total net position for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets not being depreciated	1,374,160
Capital assets - net of accumulated depreciation	52,903,357

Certain liabilities are not due and payable in the current period and are not reported in the funds.

Accrued interest	(274,588)
July and August contractual insurance benefits	(617,464)

Deferred outflows (inflows) of resources

Deferred outflows of resources resulting from debt refunding	74,825
Deferred outflows of resources resulting from the net pension liability	41,599,649
Deferred outflows of resources resulting from the net OPEB liability	7,069,229
Deferred inflows of resources resulting from the net pension liability	(13,686,431)
Deferred inflows of resources resulting from the net OPEB liability	(7,162,210)

Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.

Net pension liability	(118,863,617)
Net OPEB liability	(31,866,071)
Compensated absences	(291,881)
Retiree life insurance benefits	(63,500)
Bonds payable	(44,995,715)
Act 18 settlement payable	(1,008,653)
Premium on bonds	<u>(2,231,857)</u>

Net position of governmental activities **\$ (104,334,435)**

School District of the City of Wyandotte
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	General Fund	Josephine Brighton Work Skills Center Fund	Madison Special Education Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Local sources	\$ 5,011,815	\$ 63,360	\$ 134,640	\$ 3,318,507	\$ 497,315	\$ 9,025,637
State sources	39,368,240	1,766,841	5,070,581	-	88,025	46,293,687
Federal sources	3,036,274	-	-	-	1,461,940	4,498,214
Interdistrict sources	3,146,235	4,063,553	11,977,353	-	-	19,187,141
Total revenues	50,562,564	5,893,754	17,182,574	3,318,507	2,047,280	79,004,679
Expenditures						
Current						
Instruction	28,351,922	2,551,180	6,464,832	-	-	37,367,934
Supporting services	18,326,763	3,620,132	9,945,401	-	-	31,892,296
Food services	-	-	-	-	2,101,776	2,101,776
Community services	712,992	-	-	-	-	712,992
Intergovernmental payments	80,000	-	-	-	-	80,000
Facilities acquisition	-	-	-	-	1,083,258	1,083,258
Capital outlay	1,286,620	-	-	-	-	1,286,620
Debt service						
Principal	405,000	-	-	1,290,000	-	1,695,000
Interest and other expenditures	59,082	-	-	1,690,650	-	1,749,732
Total expenditures	49,222,379	6,171,312	16,410,233	2,980,650	3,185,034	77,969,608
Excess (deficiency) of revenues over expenditures	1,340,185	(277,558)	772,341	337,857	(1,137,754)	1,035,071

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	General Fund	Josephine Brighton Work Skills Center Fund	Madison Special Education Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)						
Transfers in	494,783	277,558	-	296,714	102,505	1,171,560
Transfers out	<u>(399,219)</u>	<u>-</u>	<u>(772,341)</u>	<u>-</u>	<u>-</u>	<u>(1,171,560)</u>
Total other financing sources (uses)	<u>95,564</u>	<u>277,558</u>	<u>(772,341)</u>	<u>296,714</u>	<u>102,505</u>	<u>-</u>
Net change in fund balance	1,435,749	-	-	634,571	(1,035,249)	1,035,071
Fund balance - beginning	<u>7,472,681</u>	<u>-</u>	<u>-</u>	<u>3,820,034</u>	<u>1,378,546</u>	<u>12,671,261</u>
Fund balance - ending	<u><u>\$ 8,908,430</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,454,605</u></u>	<u><u>\$ 343,297</u></u>	<u><u>\$ 13,706,332</u></u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balances - Total governmental funds	\$ 1,035,071
Total change in net position reported for governmental activities in the statement of activities is different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Operating grants	(149,864)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(5,303,661)
Capital outlay	1,069,156
Expenses are recorded when incurred in the statement of activities.	
Interest	11,705
Benefit claims	(67,788)
Compensated absences	(14,637)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability	(18,789,299)
Net change in the deferrals of resources related to the net pension liability	13,468,700
The statement of net position reports the OPEB liability and deferred outflows of resources and deferred inflows related to the OPEB liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in OPEB liability	2,201,316
Net change in the deferrals of resources related to the OPEB liability	(1,257,975)
Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or repayments, as financing sources or expenditures in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.	
Act 18 settlement payment	933,993
Repayments of long-term debt	1,695,000
Amortization of premiums	235,163
Amortization of gain on debt defeasance	(30,721)
Change in net position of governmental activities	<u>\$ (4,963,841)</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2019

	<u>Agency Funds</u>
Assets	
Cash	\$ <u>668,127</u>
Liabilities	
Due to student and other school groups	\$ <u>668,127</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2019

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the School District of the City of Wyandotte (School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has no component units.

District-wide Financial Statements

The School District's basic financial statements include both district-wide (reporting for the School District as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The School District does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

Fund Financial Statements

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2019

absences and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

Fiduciary fund statements also are reported using the economic resources measurement focus and the accrual basis of accounting.

The School District reports the following major governmental funds:

General Fund – The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

Madison Special Education and Josephine Brighton Work Skills Center Funds – These funds are Special Revenue Funds, which operate center programs for Wayne County RESA.

Debt Service Fund – Debt Service Fund is used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

Additionally, the School District reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District's Special Revenue Fund includes the Cafeteria Fund.

Capital Projects Fund – The Building and Site Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and

for remodeling and repairs. The fund is kept open until the purpose for which the fund was created has been accomplished.

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations. This fund is used to record the transactions of student groups for school and school-related purposes.

Assets, Liabilities and Net Position or Equity

Receivables and Payables – Generally, outstanding amounts owed between funds are classified as “due from/to other funds”. These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2019, the rates are as follows per \$1,000 of assessed value.

General Fund	
Non-principal residence exemption	18.00000
Commercial personal property	6.00000
Debt Service Funds	6.00000

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries. All of the School District's tax roll lies within Wayne County.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2019

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 14 or February 14. Collections are forwarded to the School District as collected by the assessing municipality. Real property taxes uncollected as of March 1 are purchased by the County of Wayne and remitted to the School District.

Investments – Investments are stated at fair value.

Inventories – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed, rather than when purchased.

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20-50 years
Equipment and furniture	5-20 years
Buses and other vehicles	5-15 years

Deferred Outflows of Resources – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Deferred amounts on bond refundings are included in the district-wide financial statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities in the following year.

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

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. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2019

In the School District's fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

Pension – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Deferred amounts on bond refundings are included in the district-wide financials statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports

deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Equity – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – amounts that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts that have been formally set aside by the Board of Education for specific purposes. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Education.

Assigned – amounts intended to be used for specific purposes, as determined by the Board of Education or by an official or body to which the Board of Education delegates authority. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2019

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the School District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

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, as well as deferred inflows and deferred outflows of resources at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standards

Statement No. 83, *Certain Asset Retirement Obligations* establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The requirements of this Statement are effective for the fiscal year ending June 30, 2019.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* improves the information that is

disclosed in notes to the School District's financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities districts should include when disclosing information related to debt. It requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. It will also require that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for the fiscal year ending June 30, 2019.

Upcoming Accounting and Reporting Changes

Statement No. 84, *Fiduciary Activities* improves the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the criteria includes the following: (1) is the government controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The four fiduciary funds that should be reported, if applicable are: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally will report fiduciary activities that are not held in a trust or similar arrangement that meets specific criteria. The requirements of this Statement are effective for the fiscal year ending June 30, 2020.

Statement No. 87, *Leases* increases the usefulness of the School District's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2019

underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the School District's leasing activities. The requirements of this Statement are effective for the fiscal year ending June 30, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reporting in a business-type activity or enterprise fund. Interest cost incurred before the end of a construction period should be recognized as an expenditure for financial statements prepared using the current financial resources measurement. The requirements of this Statement are effective for the fiscal year ending June 30, 2021.

Statement No. 90, *Majority Equity Interests* improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain components. This Statement is effective for the year ending June 30, 2020.

Statement No. 91, *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing

standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for the year ending June 30, 2022.

The School District is evaluating the impact that the above GASBs will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the School District to have its budget in place by July 1. A district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year. Individual amendments were not material in relation to the original appropriations.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2019

Excess of Expenditures over Appropriations

During the year, the School District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Basic programs	\$ 22,088,075	\$ 22,553,442	\$ 465,367
Added needs	5,709,401	5,798,480	89,079
School administration	2,490,471	2,540,297	49,826
Pupil transportation services	661,865	840,319	178,454
Central	1,345,991	2,479,817	1,133,826
Athletic activities	870,905	873,607	2,702
Community services	558,255	712,992	154,737
Transfers out	396,715	399,219	2,504
Madison Special Education Fund			
Instructional staff	3,714	31,735	28,021
Pupil transportation services	34,614	86,044	51,430
Josephine Brighton Work Skills Center Fund			
Added needs	2,370,492	2,551,180	180,688
Pupil	2,622,535	2,760,043	137,508
Instructional staff	-	1,773	1,773
Operations and maintenance	406,100	509,285	103,185
Pupil transportation services	6,538	46,854	40,316

Note 3 - Deposits and Investments

The School District's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Total Primary Government
Cash	\$ 13,168,010	\$ 668,127	\$ 13,836,137
Investments	<u>232,059</u>	<u>-</u>	<u>232,059</u>
	<u>\$ 13,400,069</u>	<u>\$ 668,127</u>	<u>\$ 14,068,196</u>

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 13,833,647
Investments in securities, mutual funds, and similar vehicles	232,059
Petty cash and cash on hand	<u>2,490</u>
Total	<u>\$ 14,068,196</u>

As of year end, the School District had the following investments:

Investment	Fair Value	Maturities	Rating	Rating Organization
Michigan Liquid Asset Fund - CMC	<u>\$ 232,059</u>	6 months Average	AAAm	Standard & Poor's

Interest rate risk – In accordance with its investment policy, the School District manages its exposure to declines in fair values by limiting the investment option.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2019

Credit risk – State statutes authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, 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 has no investment policy that would further limit its investment choices.

Concentration of credit risk – The School District has no policy that would limit the amount that may be invested with any one issuer.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of year-end, \$13,679,964 of the School District's bank balance of \$14,581,480 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of year end, all of the School District's investments of \$232,059 were exposed to custodial credit risk.

Note 4 - Fair Value Measurements

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School District has the following recurring fair value measurements as of June 30, 2019:

- Amounts invested in MILAF+ Portfolio of \$232,059. The MILAF+ Portfolio is not registered under Rule 2a-7 under the Investment Company Act of 1940. The money market securities are valued using amortized cost, which generally approximates the current fair value of the security. However, the value is not obtained from a quoted price in an active market. (Level 2 inputs).

School District of the City of Wyandotte
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Note 5 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,142,101	\$ -	\$ -	\$ 1,142,101
Construction in progress	<u>1,224,558</u>	<u>-</u>	<u>992,499</u>	<u>232,059</u>
Total capital assets not being depreciated	<u>2,366,659</u>	<u>-</u>	<u>992,499</u>	<u>1,374,160</u>
Capital assets being depreciated				
Buildings and additions	89,508,001	1,955,670	-	91,463,671
Equipment and furniture	20,211,078	50,587	-	20,261,665
Buses and other vehicles	<u>462,117</u>	<u>55,398</u>	<u>-</u>	<u>517,515</u>
Total capital assets being depreciated	<u>110,181,196</u>	<u>2,061,655</u>	<u>-</u>	<u>112,242,851</u>
Less accumulated depreciation for				
Buildings and additions	47,349,276	2,390,793	-	49,740,069
Equipment and furniture	6,343,784	2,876,191	-	9,219,975
Buses and other vehicles	<u>342,773</u>	<u>36,677</u>	<u>-</u>	<u>379,450</u>
Total accumulated depreciation	<u>54,035,833</u>	<u>5,303,661</u>	<u>-</u>	<u>59,339,494</u>
Net capital assets being depreciated	<u>56,145,363</u>	<u>(3,242,006)</u>	<u>-</u>	<u>52,903,357</u>
Net capital assets	<u>\$ 58,512,022</u>	<u>\$ (3,242,006)</u>	<u>\$ 992,499</u>	<u>\$ 54,277,517</u>

Depreciation expense was not charged to activities, as the School District considers its assets to impact multiple activities and allocation is not practical.

Note 6 - Interfund Receivable and Payable and Transfers

Individual interfund receivable and payable balances at year end were:

Payable Fund	Receivable Fund	Amount
Nonmajor Governmental Funds	General Fund	\$ 147,883
General Fund	Nonmajor Governmental Funds	234,909
General Fund	Debt Service Fund	1,566,468
General Fund	Madison Special Education Fund	1,658,362
General Fund	Josephine Brighton Work Skills Center Fund	<u>355,009</u>
		<u>\$ 3,962,631</u>

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

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

School District of the City of Wyandotte
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Interfund transfers consist of the following:

	<u>Transfers Out</u>		
	<u>General Fund</u>	<u>Madison Special Education Fund</u>	<u>Total</u>
Transfers in			
General Fund	\$ -	\$ 494,783	\$ 494,783
Josephine Brighton Work Skills Center Fund	-	277,558	277,558
Debt Service Fund	296,714	-	296,714
Nonmajor Governmental Funds	<u>102,505</u>	<u>-</u>	<u>102,505</u>
	<u>\$ 399,219</u>	<u>\$ 772,341</u>	<u>\$ 1,171,560</u>

Transfers from the General Fund to the Debt Service Fund and nonmajor governmental funds were made to cover the costs of the School District programs that were in excess of revenues generated from those activities. Transfers between the Madison Special Education Fund and the Josephine Brighton Work Skills Center Fund and General Fund were to cover indirect costs charged to the respective programs.

Note 7 - Unearned Revenue

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

	<u>Unearned</u>
Food service deposits	\$ 23,213
Grant and categorical aid payments received prior to meeting all eligibility requirements	<u>415,155</u>
Total	<u>\$ 438,368</u>

Note 8 - Leases

The School District leases copiers under non-cancelable operating leases. Total costs for such leases were \$140,100 for the year. The future minimum lease payments for these leases are as follows:

<u>Year ending June 30,</u>	
2020	\$ 140,100
2021	140,100
2022	140,100
2023	<u>140,100</u>
Total	<u>\$ 560,400</u>

Note 9 - State Aid Anticipation Note

The School District issues state aid anticipation notes in advance of state aid collections, depositing the proceeds in the General Fund. These notes are necessary because the School District receives state aid from October through the following August for its fiscal year ending June 30th. The School District is required to pledge 100% of their state school aid, October through August, or until the note is repaid, whichever is longer. The State has discretion to accelerate repayment terms if they have cause for concern. If the note is in default status, there is a penalty interest rate that may apply.

Short-term debt activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Proceeds</u>	<u>Repayments</u>	<u>Ending Balance</u>
State aid anticipation note	<u>\$ 3,400,000</u>	<u>\$ 3,262,000</u>	<u>\$ 4,000,000</u>	<u>\$ 2,662,000</u>

The state aid anticipation note agreement includes an irrevocable set-aside of \$600,000 at year end that is considered defeased debt and not included in the ending balance.

School District of the City of Wyandotte
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Note 10 - Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The State can withhold state aid if it has to make a bond payment on behalf of the School District related to qualified bonds. Other long-term obligations include compensated absences, claims and judgments, Act 18, and certain risk liabilities.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Government obligation bonds	\$ 46,690,715	\$ -	\$ 1,695,000	\$ 44,995,715	\$ 1,780,000
Act 18 settlement payable	1,942,646	-	933,993	1,008,653	515,473
Compensated absences	277,244	26,250	11,613	291,881	18,942
Retiree life insurance benefits	63,500	-	-	63,500	-
Premiums on bonds	2,467,020	-	235,163	2,231,857	-
Total	\$ 51,441,125	\$ 26,250	\$ 2,875,769	\$ 48,591,606	\$ 2,314,415

For governmental activities, compensated absences, retiree life insurance benefits and retirement incentives are primarily liquidated by the General Fund.

General obligation bonds payable at year end, consist of the following:

2016 Refunding of 2007 Energy Conservation Improvement bonds are due in annual installments of \$310,000 - \$505,000 through May 1, 2024, interest at 1.700% to 2.600%	\$ 2,345,000
2009 School Improvement Bond is due in full on August 24, 2025. Installments of \$296,714 are required to be set-aside annually to provide for the total principal payment when due. Interest rate is 0.125%	4,450,715
2015 Refunding of Series 2005 Bonds are due in annual installments of \$1,280,000 - \$1,300,000 through May 1, 2020, interest at 5%.	1,280,000
2015 School Building and Site Bonds are due in annual installments of \$75,000 - \$2,560,000 through May 1, 2041, interest at 2.75% to 5%.	36,920,000
Total general obligation bonded debt	\$ 44,995,715

Future principal and interest requirements for bonded debt and direct borrowings and direct placements are as follows:

	Principal	Interest	Total
Year Ending June 30,			
2020	\$ 1,780,000	\$ 1,684,139	\$ 3,464,139
2021	1,575,000	1,609,064	3,184,064
2022	1,655,000	1,543,814	3,198,814
2023	1,735,000	1,474,224	3,209,224
2024	1,810,000	1,400,344	3,210,344
2025 - 2029	11,920,715	5,963,532	17,884,247
2030 - 2034	8,845,000	4,587,349	13,432,349
2035 - 2039	10,680,000	2,749,738	13,429,738
2040 - 2044	4,995,000	377,750	5,372,750
Total	\$ 44,995,715	\$ 21,389,954	\$ 66,385,669

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The general obligation bonds are payable from the Debt Service Funds. As of year-end, the fund had a balance \$4,454,605 to pay this debt. Future debt and interest will be payable from future tax levies.

Compensated Absences

Accrued compensated absences at year end, consists of \$291,881 of vacation hours earned and vested. The entire vested amount is considered long-term as the amount expended each year is expected to be offset by sick time earned for the year.

Defeased Debt

In prior years, the School District has defeased various bonds issued by creating separate irrevocable trust funds. New debt has been issued and the net proceeds of each refunding were placed in separate special escrow accounts and invested in securities of the U.S. Government and its agencies. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the refunded bonds are considered to be defeased. Accordingly, the trust account assets and liability for the defeased bonds are not included in the School District's financial statements.

As of year end, the amount of defeased debt outstanding but removed from the School District's financial statements is as follows:

2002 School Building and Site and Refunding Bonds	<u>\$ 1,350,000</u>
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Note 11 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The School District has purchased commercial insurance for general liability, property and casualty and health and vision claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

The School District is self-insured for health benefits paid on behalf of its employees. Payments are made to the insurance administrator each week based on actual claims and administration fees. The plan provides a stop-loss provision of \$100,000 per employee. For governmental activities, the liability for health benefits is primarily liquidated by the General Fund.

Change in estimated liabilities for claims for health benefits for the year is as follows:

	2019	2018
Estimated liability (overpayment) at the beginning of the year	\$ (310,896)	\$ (52,547)
Estimated claims incurred including changes in estimates	6,640,539	5,525,446
Claim payments	<u>(6,740,908)</u>	<u>(5,783,795)</u>
Estimated liability (overpayment) end of year	<u>\$ (411,265)</u>	<u>\$ (310,896)</u>

The School District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the School District must reimburse the Employment Commission for all benefits charged against the School District. The School District did not pay any significant unemployment compensation expense for the year. No provision has been made for possible future claims.

Note 12 - Pension Plan

Plan Description

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

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The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

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

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools

Benefits Provided

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

A DB plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received

a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2017 valuation will be amortized over a 20-year period for the 2017 fiscal year.

The schedule below summarizes pension contribution rates in effect for fiscal year ended September 30, 2018.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	17.89%
Member Investment Plan	3.0 - 7.0%	17.89%
Pension Plus	3.0 - 6.4%	16.61%
Pension Plus 2	6.2%	19.74%
Defined Contribution	0.0%	13.54%

Required contributions to the pension plan from the School District were \$10,766,758 for the year ending September 30, 2018.

School District of the City of Wyandotte
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the School District reported a liability of \$118,863,617 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2017. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2018, the School District's proportion .3954 percent, which was an increase of .0092 percent from its proportion measured as of September 30, 2017. At September 30, 2018 the total pension expense for the School District was \$16,349,390. For the year ending June 30, 2019, the School District recognized pension expense of \$10,623,188.

At June 30, 2019, 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	Total
Difference between expected and actual experience	\$ 551,549	\$ (863,761)	\$ (312,212)
Changes of assumptions	27,528,716	-	27,528,716
Net difference between projected and actual earnings on pension plan investments	-	(8,127,250)	(8,127,250)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>3,475,686</u>	<u>(265,850)</u>	<u>3,209,836</u>
Subtotal of deferrals subject to amortization	31,555,951	(9,256,861)	22,299,090
School District contributions subsequent to the measurement date	<u>10,043,698</u>	<u>(4,429,570)</u>	<u>5,614,128</u>
Total	<u>\$41,599,649</u>	<u>\$(13,686,431)</u>	<u>\$ 27,913,218</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Deferred (Inflow) and Deferred Outflow of Resources by Year
(To Be Recognized in Future Pension Expenses)

2019	\$ 9,055,349
2020	6,660,758
2021	4,721,378
2022	<u>1,861,605</u>
	<u>\$ 22,299,090</u>

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2017
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
 - MIP and Basic Plans 7.05%
 - Pension Plus Plan 7.00%
 - Pension Plus 2 Plan: 6.00%
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members
- Mortality:
 - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for

females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

- Active Members: Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2017 valuation. The total pension liability as of September 30, 2018, is based on the results of an actuarial valuation date of September 30, 2017, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: 4.5304

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2018 MPSERS Comprehensive Annual Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension 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 pension 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018, are summarized in the following table:

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Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	28.0 %	5.7 %
Alternative Investment Pools	18.0	9.2
International Equity	16.0	7.2
Fixed Income Pools	10.5	5.0
Real Estate and Infrastructure Pools	10.0	3.9
Absolute Return Pools	15.5	5.2
Short Term Investment Pools	2.0	0.0
	<u>100.0%</u>	

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

Rate of Return

For the fiscal year ended September 30, 2018, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 11.11%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 7.05% was used to measure the total pension liability (7.0% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 7.05% (7.0% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.05% (7.0% for the Hybrid Plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

Current Single Discount Rate		
1% Decrease *	Assumption *	1% Increase *
6.05% / 6.0% / 5.0%	7.05% / 7.0% / 6.0%	8.05% / 8.0% / 7.0%
<u>\$ 156,058,749</u>	<u>\$ 118,863,617</u>	<u>\$ 87,960,509</u>

*Discount rates listed in the following order: Basic and Member Investment Plan (MIP), Pension Plus, and Pension Plus 2.

Michigan Public School Employees' Retirement System (MPERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS CAFR, available on the ORS website at www.michigan.gov/orsschools.

Payables to the Michigan Public School Employees' Retirement System (MPERS)

There were no significant payables to the pension plan that are not ordinary accruals to the School District.

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Note 13 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

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

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision

coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

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

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% 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% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition

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date, and their prior contributions were deposited into their 401(k) account.

Contributions

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

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2017 valuation will be amortized over a 20-year period for the 2017 fiscal year.

The schedule below summarizes OPEB contribution rates in effect for fiscal year 2018.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	6.44%
Personal Healthcare Fund (PHF)	0.0%	6.13%

Required contributions to the OPEB plan from the School District were \$2,602,123 for the year ended September 30, 2018.

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

At June 30, 2019, the School District reported a liability of \$31,866,071 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2017. The School District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2018, the School District's proportion was .4009 percent, which was an increase of 0.0162 percent from its proportion measured as of September 30, 2017. At September 30, 2018, the total OPEB expense for the School District was \$1,818,859. For the year ending June 30, 2019, the School District recognized total OPEB expense of \$2,731,824.

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Notes to the Financial Statements
June 30, 2019

At June 30, 2019, 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	Total
Difference between expected and actual experience	\$ -	\$(5,931,095)	\$(5,931,095)
Changes of assumptions	3,374,633	-	3,374,633
Net difference between projected and actual earnings on OPEB plan investments	-	(1,224,689)	(1,224,689)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>1,217,920</u>	<u>(6,426)</u>	<u>1,211,494</u>
Total to be recognized in future	4,592,553	(7,162,210)	(2,569,657)
School District contributions subsequent to the measurement date	<u>2,476,676</u>	<u>-</u>	<u>2,476,676</u>
Total	<u>\$7,069,229</u>	<u>\$(7,162,210)</u>	<u>\$(92,981)</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future OPEB Expenses)	
2019	\$ (670,446)
2020	(670,446)
2021	(670,446)
2022	(420,670)
2023	<u>(137,649)</u>
	<u>\$ (2,569,657)</u>

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2017
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 7.15%
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: 7.5% Year 1 graded to 3.0% Year 12
- Mortality:
 - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2019

females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

- Active Members: Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Other Assumptions:

- Opt Out Assumptions: 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan
- Survivor Coverage: 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death
- Coverage Election at Retirement: 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2017 valuation. The total OPEB liability as of September 30, 2018, is based on the results of an actuarial valuation date of September 30, 2017, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: 5.6018

Recognition period for assets in years is 5.0000

Full actuarial assumptions are available in the 2018 MPSERS Comprehensive Annual Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on 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 OPEB 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. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	28.0 %	5.7 %
Alternative Investment Pools	18.0	9.2
International Equity	16.0	7.2
Fixed Income Pools	10.5	0.5
Real Estate and Infrastructure Pools	10.0	3.9
Absolute Return Pools	15.5	5.0
Short Term Investment Pools	2.0	0.0
	100.0%	

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

Rate of Return

For the fiscal year ended September 30, 2018, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 10.75%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2019

Discount Rate

A discount rate of 7.15% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 7.15%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
<u>\$ 38,254,570</u>	<u>\$ 31,866,071</u>	<u>\$ 26,492,563</u>

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Healthcare Cost Trend Rate

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
<u>\$ 26,209,492</u>	<u>\$ 31,866,071</u>	<u>\$ 38,355,322</u>

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2018 MPSERS CAFR, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

There were no significant payables to the OPEB plan that are not ordinary accruals to the School District.

Note 14 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2019.

Note 15 - Tax Abatements

The School District receives reduced property tax revenues as a result of building and employment expansion exemptions granted by the City of Wyandotte.

For the fiscal year ended June 30, 2019, the School District's property tax revenues were reduced by \$211,684 under these programs.

REQUIRED SUPPLEMENTARY INFORMATION

School District of the City of Wyandotte
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Local sources	\$ 4,530,600	\$ 4,749,625	\$ 5,011,815	\$ 262,190
State sources	35,962,555	37,560,395	39,368,240	1,807,845
Federal sources	2,971,234	3,132,982	3,036,274	(96,708)
Interdistrict sources	<u>2,014,750</u>	<u>2,125,545</u>	<u>3,146,235</u>	<u>1,020,690</u>
 Total revenues	 <u>45,479,139</u>	 <u>47,568,547</u>	 <u>50,562,564</u>	 <u>2,994,017</u>
Expenditures				
Instruction				
Basic programs	22,242,962	22,088,075	22,553,442	465,367
Added needs	5,376,204	5,709,401	5,798,480	89,079
Supporting services				
Pupil	2,279,042	3,118,715	2,895,374	(223,341)
Instructional staff	1,249,053	1,485,696	1,331,821	(153,875)
General administration	503,134	498,256	475,271	(22,985)
School administration	2,442,621	2,490,471	2,540,297	49,826
Business	844,502	883,002	830,730	(52,272)
Operations and maintenance	6,298,901	6,226,241	6,059,527	(166,714)
Pupil transportation services	552,814	661,865	840,319	178,454
Central	1,350,251	1,345,991	2,479,817	1,133,826
Athletic activities	855,405	870,905	873,607	2,702
Community services	490,700	558,255	712,992	154,737
Intergovernmental payments	82,000	82,000	80,000	(2,000)
Capital outlay	<u>1,739,472</u>	<u>1,440,270</u>	<u>1,286,620</u>	<u>(153,650)</u>

School District of the City of Wyandotte
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Debt service				
Principal	435,000	405,000	405,000	-
Interest and fiscal charges	<u>72,575</u>	<u>62,025</u>	<u>59,082</u>	<u>(2,943)</u>
Total expenditures	<u>46,814,636</u>	<u>47,926,168</u>	<u>49,222,379</u>	<u>1,296,211</u>
Excess (deficiency) of revenues over expenditures	<u>(1,335,497)</u>	<u>(357,621)</u>	<u>1,340,185</u>	<u>1,697,806</u>
Other Financing Sources (Uses)				
Transfers in	397,923	262,152	494,783	232,631
Transfers out	<u>(396,715)</u>	<u>(396,715)</u>	<u>(399,219)</u>	<u>(2,504)</u>
Total other financing sources (uses)	<u>1,208</u>	<u>(134,563)</u>	<u>95,564</u>	<u>230,127</u>
Net change in fund balance	(1,334,289)	(492,184)	1,435,749	1,927,933
Fund balance - beginning	<u>7,472,681</u>	<u>7,472,681</u>	<u>7,472,681</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,138,392</u>	<u>\$ 6,980,497</u>	<u>\$ 8,908,430</u>	<u>\$ 1,927,933</u>

School District of the City of Wyandotte
Required Supplementary Information
Budgetary Comparison Schedule - Josephine Brighton Work Skills Center Fund
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Local sources	\$ 39,353	\$ -	\$ 63,360	\$ 63,360
State sources	2,159,760	2,159,760	1,766,841	(392,919)
Interdistrict sources	<u>4,927,785</u>	<u>4,555,742</u>	<u>4,063,553</u>	<u>(492,189)</u>
Total revenues	<u>7,126,898</u>	<u>6,715,502</u>	<u>5,893,754</u>	<u>(821,748)</u>
Expenditures				
Instruction				
Added needs	3,071,670	2,370,492	2,551,180	180,688
Supporting services				
Pupil	2,262,950	2,622,535	2,760,043	137,508
Instructional staff	69,303	-	1,773	1,773
General administration	5,000	5,000	833	(4,167)
School administration	282,359	302,134	301,344	(790)
Operations and maintenance	406,100	406,100	509,285	103,185
Pupil transportation services	<u>21,537</u>	<u>6,538</u>	<u>46,854</u>	<u>40,316</u>
Total expenditures	<u>6,118,919</u>	<u>5,712,799</u>	<u>6,171,312</u>	<u>458,513</u>
Excess (deficiency) of revenues over expenditures	1,007,979	1,002,703	(277,558)	(1,280,261)
Other Financing Sources (Uses)				
Transfers in (out)	<u>(1,007,979)</u>	<u>(1,002,703)</u>	<u>277,558</u>	<u>1,280,261</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

School District of the City of Wyandotte
Required Supplementary Information
Budgetary Comparison Schedule - Madison Special Education Fund
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Local sources	\$ 134,640	\$ 198,000	\$ 134,640	\$ (63,360)
State sources	3,731,253	4,251,002	5,070,581	819,579
Interdistrict sources	<u>15,948,490</u>	<u>14,258,843</u>	<u>11,977,353</u>	<u>(2,281,490)</u>
Total revenues	<u>19,814,383</u>	<u>18,707,845</u>	<u>17,182,574</u>	<u>(1,525,271)</u>
Expenditures				
Instruction				
Added needs	6,911,036	6,484,161	6,464,832	(19,329)
Supporting services				
Pupil	9,537,067	8,842,165	8,721,797	(120,368)
Instructional staff	5,158	3,714	31,735	28,021
School administration	1,037,790	1,051,699	860,764	(190,935)
Operations and maintenance	257,875	257,875	245,061	(12,814)
Pupil transportation services	<u>21,290</u>	<u>34,614</u>	<u>86,044</u>	<u>51,430</u>
Total expenditures	<u>17,770,216</u>	<u>16,674,228</u>	<u>16,410,233</u>	<u>(263,995)</u>
Excess (deficiency) of revenues over expenditures	2,044,167	2,033,617	772,341	(1,261,276)
Other Financing Sources (Uses)				
Transfers out	<u>(2,044,167)</u>	<u>(2,033,617)</u>	<u>(772,341)</u>	<u>1,261,276</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

School District of the City of Wyandotte
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
A. Reporting unit's proportion of net pension liability (%)	0.3954%	0.3862%	0.3765%	0.3785%	0.3661%					
B. Reporting unit's proportionate share of net pension liability	\$118,863,617	\$100,074,318	\$ 93,930,828	\$ 92,441,069	\$ 80,638,167					
C. Reporting unit's covered-employee payroll	\$ 34,122,697	\$ 32,675,622	\$ 31,644,105	\$ 31,495,551	\$ 31,406,574					
D. of net pension liability as a percentage of its covered-employee payroll	348.34%	306.27%	296.84%	293.51%	256.76%					
E. Plan fiduciary net position as a percentage of total pension liability	62.36%	64.21%	63.27%	63.17%	66.20%					

Note Disclosures:

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2018.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2018.

School District of the City of Wyandotte
Required Supplementary Information
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
A. Statutorily required contributions	\$ 10,623,188	\$ 9,965,958	\$ 6,151,810	\$ 6,069,988	\$ 5,786,416					
B. Contributions in relation to statutorily required contributions	<u>10,623,188</u>	<u>9,965,958</u>	<u>6,151,810</u>	<u>6,069,988</u>	<u>5,786,416</u>					
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					
D. Reporting unit's covered-employee payroll	\$ 34,639,517	\$ 33,946,980	\$ 32,620,710	\$ 31,416,733	\$ 31,897,628					
E. Contributions as a percentage of covered-employee payroll	30.67%	29.36%	18.86%	19.32%	18.14%					

School District of the City of Wyandotte
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
A. Reporting unit's proportion of the net OPEB liability (%)	0.4009%	0.3847%								
B. Reporting unit's proportionate share of the net OPEB liability	\$ 31,866,071	\$ 34,067,387								
C. Reporting unit's covered-employee payroll	\$ 34,122,697	\$ 32,675,622								
D. Reporting unit's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	93.39%	104.26%								
E. Plan fiduciary net position as a percentage of total OPEB liability	42.95%	36.39%								

Note Disclosures:

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2018.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2018.

School District of the City of Wyandotte
Required Supplementary Information
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

		For the Years Ended June 30,									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
A.	Statutorily required contributions	\$ 2,731,824	\$ 2,502,965								
B.	Contributions in relation to statutorily required contributions	<u>2,731,824</u>	<u>2,502,965</u>								
C.	Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>								
D.	Reporting unit's covered-employee payroll	\$ 34,639,517	\$ 33,946,980								
E.	Contributions as a percentage of covered-employee payroll	7.89%	7.37%								

OTHER SUPPLEMENTARY INFORMATION

School District of the City of Wyandotte
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Fund	Capital Projects Fund - Building and Site	Total Nonmajor Governmental Funds
	Cafeteria		
Assets			
Accounts receivable	\$ -	\$ 7,640	\$ 7,640
Due from other funds	234,909	-	234,909
Due from other governmental units	60,077	-	60,077
Inventory	16,796	-	16,796
Investments	-	232,059	232,059
	<u>-</u>	<u>232,059</u>	<u>232,059</u>
Total assets	<u>\$ 311,782</u>	<u>\$ 239,699</u>	<u>\$ 551,481</u>
Liabilities			
Accounts payable	\$ 31,417	\$ -	\$ 31,417
Due to other funds	-	147,883	147,883
Accrued payroll and related liabilities	5,671	-	5,671
Unearned revenue	23,213	-	23,213
	<u>60,301</u>	<u>147,883</u>	<u>208,184</u>
Total liabilities	<u>60,301</u>	<u>147,883</u>	<u>208,184</u>
Fund Balance			
Non-spendable			
Inventory	16,796	-	16,796
Restricted for			
Food service	234,685	-	234,685
Capital projects	-	91,816	91,816
	<u>251,481</u>	<u>91,816</u>	<u>343,297</u>
Total fund balance	<u>251,481</u>	<u>91,816</u>	<u>343,297</u>
Total liabilities and fund balance	<u>\$ 311,782</u>	<u>\$ 239,699</u>	<u>\$ 551,481</u>

School District of the City of Wyandotte
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	Special Revenue Fund <u>Cafeteria</u>	Capital Projects Fund - Building and Site	Total Nonmajor Governmental Funds
Revenues			
Local sources	\$ 489,276	\$ 8,039	\$ 497,315
State sources	88,025	-	88,025
Federal sources	<u>1,461,940</u>	<u>-</u>	<u>1,461,940</u>
Total revenues	<u>2,039,241</u>	<u>8,039</u>	<u>2,047,280</u>
Expenditures			
Current			
Food services	2,101,776	-	2,101,776
Facilities acquisition	<u>-</u>	<u>1,083,258</u>	<u>1,083,258</u>
Total expenditures	<u>2,101,776</u>	<u>1,083,258</u>	<u>3,185,034</u>
Deficiency of revenues over expenditures	(62,535)	(1,075,219)	(1,137,754)
Other Financing Sources (Uses)			
Transfers in	<u>2,505</u>	<u>100,000</u>	<u>102,505</u>
Net change in fund balance	(60,030)	(975,219)	(1,035,249)
Fund balance - beginning	<u>311,511</u>	<u>1,067,035</u>	<u>1,378,546</u>
Fund balance - ending	<u>\$ 251,481</u>	<u>\$ 91,816</u>	<u>\$ 343,297</u>

School District of the City of Wyandotte
Other Supplementary Information
General Fund
Comparative Balance Sheet
June 30, 2019

	<u>2019</u>	<u>2018</u>
Assets		
Cash	\$ 10,461,798	\$ 10,389,663
Taxes receivable	271,682	222,757
Accounts receivable	5,185	877
Due from other funds	147,883	-
Due from other governmental units	9,591,643	9,303,880
Inventory	18,729	21,344
Prepaid items	<u>235,146</u>	<u>333,442</u>
 Total assets	 <u>\$ 20,732,066</u>	 <u>\$ 20,271,963</u>
Liabilities		
Accounts payable	\$ 321,845	\$ 359,943
State aid anticipation note payable	2,662,000	3,399,261
Due to other funds	3,814,748	4,246,653
Due to other governmental units	805,296	730,926
Accrued expenditures	65,800	49,878
Accrued payroll and related liabilities	3,738,792	3,244,890
Unearned revenue	<u>415,155</u>	<u>617,867</u>
 Total liabilities	 <u>11,823,636</u>	 <u>12,649,418</u>

School District of the City of Wyandotte
Other Supplementary Information
General Fund
Comparative Balance Sheet
June 30, 2019

	<u>2019</u>	<u>2018</u>
Deferred Inflows of Resources		
Unavailable revenue		
Enhancement millage	<u>-</u>	<u>149,864</u>
 Total liabilities and deferred inflows of resources	 <u>11,823,636</u>	 <u>12,799,282</u>
 Fund Balance		
Non-spendable		
Inventory	18,729	21,344
Prepaid items	235,146	333,442
Unassigned	<u>8,654,555</u>	<u>7,117,895</u>
 Total fund balance	 <u>8,908,430</u>	 <u>7,472,681</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 20,732,066</u>	 <u>\$ 20,271,963</u>