

OAK RIDGE SCHOOLS
(A Department of the City of Oak Ridge, Tennessee)
OAK RIDGE, TENNESSEE

Annual Comprehensive
Financial Report

Year Ended June 30, 2023

and

Independent Auditor's Report

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Annual Comprehensive Financial Report

June 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	1 – 4
Organizational Chart	5
List of Principal Officials	6
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	7 – 9
Required Supplementary Information:	
Management's Discussion and Analysis	10 – 19
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	20 – 21
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds	23
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	24
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	25
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	26
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Governmental Funds	27 – 28
Statement of Fiduciary Net Position – Fiduciary Funds	29
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	30
Notes to Basic Financial Statements	31 – 86
Required Supplementary Information:	
Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios Based on Participation in the Legacy Employee Pension Plan of TCRS	87
Schedule of Oak Ridge School System's Contributions Based on Participation in the Public Employee Pension Plan of TCRS	88
Schedule of Oak Ridge School System's Proportionate Share of the Net Pension Asset – Teacher Legacy Pension Plan of TCRS	89
Schedule of Oak Ridge School System's Contributions – Teacher Legacy Pension Plan of TCRS	90

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Annual Comprehensive Financial Report

June 30, 2023

TABLE OF CONTENTS (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Required Supplementary Information (Continued):	
Schedule of Oak Ridge School System's Proportionate Share of the Net Pension Liability (Asset) – Teacher Hybrid Pension Plan of TCRS	91
Schedule of Oak Ridge School System's Contributions – Teacher Hybrid Pension Plan of TCRS	92
Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios Based on Participation in the Hybrid Employee Pension Plan of TCRS	93
Schedule of Oak Ridge School System's Contributions Based on Participation in the Hybrid Employee Pension Plan of TCRS	94
Schedule of Changes in Total OPEB Liability and Related Ratios Based on Participation in the TGOP OPEB Plan	95
Schedule of Changes in Total OPEB Liability and Related Ratios Based on Participation in the TNP OPEB Plan	96
Other Supplementary Information:	
General Purpose School Fund:	
Comparative Balance Sheets	97
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	98 – 99
Comparative Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	100 – 101
School Federal Projects Fund:	
Comparative Balance Sheets	102
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	103
Comparative Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	104
Combining Balance Sheet – Nonmajor Governmental Funds	105
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	106
Other Education Special Revenue Funds:	
Comparative Balance Sheets	107
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	108
Comparative Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	109
Extended School Program Fund:	
Comparative Balance Sheets	110
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	111
Comparative Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	112
Central Cafeteria Fund:	
Comparative Balance Sheets	113
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	114
Comparative Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	115

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Annual Comprehensive Financial Report

June 30, 2023

TABLE OF CONTENTS (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Other Supplementary Information (Continued):	
Internal School Fund:	
Balance Sheet	116
Statement of Revenues, Expenditures and Changes in Fund Balance – Actual	117
Private Purpose Trust and Agency Fund:	
Comparative Statements of Fiduciary Net Position – Fiduciary Fund	118
Comparative Statements of Changes in Fiduciary Net Position – Fiduciary Fund	119
Schedule of Expenditures of Federal and State Awards	120 – 123
Notes to Schedule of Expenditures of Federal and State Awards	124
Schedule of Noncash Federal Awards	125
Schedule of Changes in Long-Term Debt by Individual Issue	126
<u>STATISTICAL SECTION (Unaudited)</u>	
Net Position by Component – Last Ten Fiscal Years	127
Change in Net Position – Last Ten Fiscal Years	128
Fund Balances of Governmental Funds – Last Ten Fiscal Years	129
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	130
Local Tax Revenues by Source of All Governmental Funds – Last Ten Fiscal Years	131
Appraised and Assessed Value of Taxable Property – Last Ten Fiscal Years	132
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	133
Principal Property Taxpayers – Current Tax Year and Nine Years Ago	134
Property Tax Levies and Collections – Last Ten Fiscal Years	135
Direct and Overlapping Local Option Sales Tax Rates – Last Ten Fiscal Years	136
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	137
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	138
Demographic Statistics – 1980, 1990 and 2000 Census Year Information and Last Ten Fiscal Years	139
Principal Employers – Current Year and Nine Years Ago	140
Full-Time Equivalent School Employees – Last Ten Fiscal Years	141
Enrollment, Membership, and Attendance Data – Last Ten Fiscal Years	142
Capital Assets Statistics by Function – Last Ten Fiscal Years	143
<u>INTERNAL CONTROL AND COMPLIANCE SECTION</u>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	144 – 145
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and Accompanying Schedule of Findings and Questioned Costs	146 – 149
Summary Schedule of Prior Audit Findings	150

INTRODUCTORY SECTION



Oak Ridge Schools

OFFICE OF
Finance Director

Telephone (865) 425-9003

December 18, 2023

Board of Education
Oak Ridge Schools
Oak Ridge, Tennessee

Annual Comprehensive Financial Report: (ACFR)

The Annual Comprehensive Financial Report ("ACFR") of Oak Ridge Schools (the "Schools") for the year ended June 30, 2023, is submitted herewith. This report was prepared by the Schools' Business Services Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with Oak Ridge Schools. Oak Ridge Schools believe the data, as it is presented and has been submitted to the independent auditing firm, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial activity of all various funds; and that it contains all disclosures necessary to enable the reader to gain a complete understanding of the Schools' financial activities. This report includes all funds of the Schools and discusses in greater detail its financial position in the narrative to follow, the introduction, and the additional analysis sections of the analysis that cover the Schools' financial operating procedures, in addition to the financial highlights.

The ACFR for the year ended June 30, 2023, is presented in accordance with the reporting model adopted by the Governmental Accounting Standards Board ("GASB") Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments issued in June 1999. The presentation of the ACFR includes: The Oak Ridge Schools' department-wide financial statements, fund financial statements, notes to the financial statements and required supplementary information. An additional section in the ACFR is the introductory section which includes this transmittal letter, the Schools' organizational chart and a list of principal officials and how corresponding departments are organized to be financially efficient for the betterment of educating our students.

All combined and individual fund statements and schedules as required by law, for all major funds are included, along with required schedules as required by the Tennessee Comptroller of the Treasury. The statistics provided within were selected from all financial and demographic information, generally presented on a multiyear basis. The Schools are required to undergo an annual single audit in conformity with provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and under the direction of the Office of the Comptroller of the Treasury of the State of Tennessee.

Information related to this single audit, including the audit findings and recommendations, and independent auditor's reports on internal control and compliance with applicable laws and regulations, is included in the Internal Control and Compliance Section.

The remainder of this transmittal highlights the governance structure, the mission, the accomplishments and initiatives, the economic conditions and outlook, and the financial activities of the Schools.

Governance

The governance of the Schools is overseen by a five-member board of education (the "Board") that is elected by the citizens. Each member is elected to a four-year term with the elections being staggered so that not all positions are voted on during the same year.

Board meetings are scheduled the fourth Monday of the month and are held in the Schools' Administration Building. Regular work sessions may be scheduled when necessary and held at the Schools' administration building conference room. Special meetings are scheduled as needed and announced in compliance with public notice requirements, never allowing a meeting to be circumvented, but rather simply moved to account for at least one meeting per month on average. The Board has final control over local school matters limited only by the City Charter, state legislature, by the courts, and by the will of the people as expressed in School Board elections. Board decisions are based on majority vote of a quorum of the Board.

In general, the Board adopts policies, sets direction for curriculum, and employs the superintendent who oversees the operations of the Schools, including the Business and Operations Department. The Board is also responsible for setting salaries, acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending the annual budget as recommended by the Superintendent.

The Board has responsibilities and control over all activities related to the public-school education within the City's boundaries. Even though there is considerable association between such other entities as the Anderson and Roane counties Boards of Education, this report is restricted only to the actual activities of Oak Ridge Schools.

Vision

Every student prepared for college, career, and life success.

Mission

Provide an adaptive and challenging learning environment and instruction that prepares each student for excellence in education and the workplace, while cultivating integrity, responsibility, and a sustained passion for continued learning.

History and Outlook

Oak Ridge Schools started on October 4, 1943, when 637 students enrolled in three schools: the High School, Robertsville, and Elm Grove. From that date, Oak Ridge Schools have provided quality education and continued the tradition begun during the Manhattan Project.

One reason Alden Blankenship gave for accepting the challenge to be Oak Ridge Schools' first Superintendent of Schools was, "In such a situation it might be possible to make schools real community centers. The program could surely be planned to meet the actual needs of the children. There would be no sacred customs or traditions barring one's way. Despite the existing shortage of teachers, a system of merit would be established with no political strings attached. Recruiting personnel from all parts of the nation to fit into community of as cosmopolitan a makeup as this promised to be quite an adventure in itself."

That was the beginning. One man saw the possibility and created the vision that was quickly implemented, that was quickly accepted by the administrative staff, parents, and teachers alike. It required work, but it provided enormous rewards immediately and ongoing. Nothing like it had ever been attempted before.

Oak Ridge City Historian, Bill Wilcox, has said of those early years, "the bar was set very high those first four formative years in terms of academic standards and expectations." We find the same situation existing today in Oak Ridge Schools. The "bar" of achievement has been raised by new standards being imposed and a changing demographic in our student population. Our schools must respond, as did Blankenship.

Only by having the best staff and teachers, the most engaged parents, the communities, and neighborhoods pulling strongly together behind their schools, can Oak Ridge Schools hope to meet the new challenges of higher state standards, changing demographics and the requirement to ensure that all students achieve to their highest potential.

The Oak Ridge Schools started with a most unusual requirement, they had to be top-notch, and absolutely nothing less was acceptable. General Groves demanded it and Blankenship saw to it. Groves was smart enough to give Blankenship his appointment and encouraged him to reach for the sky and he did.

The same is true today for Oak Ridge Schools. Historically, Oak Ridge Schools began with the standards so high that only the very best teachers and administrators could guide the educational process sufficiently to achieve the standards. The children who were placed in the schools by the scientist, engineers, craftsmen, and others who brought their families to Oak Ridge to help win WWII, were obviously given the best education possible at the time.

In the 2023 fiscal year, Oak Ridge City Schools were comprised of a preschool serving 231 students (ages 3-4), four elementary schools serving 1,693 students, two middle schools serving 1,416 students, and one high school serving 1,539 students. With a licensed staff of 410, our 707 employees work hard each day for our students. Eighty-two percent of our teachers hold a master's level degree and above.

Highlights of the Oak Ridge Schools Fiscal Year 2023 Finances

Revenues

The major sources of revenues for Oak Ridge Schools are Anderson and Roane counties, the State of Tennessee, the City of Oak Ridge, and the Federal Government.

County Revenues

County revenues come from two primary sources, property, and sales tax, and are allocated to school systems based on their proportion of student attendance. The fiscal year ("FY") 2023 budget contained a projected increase in County funds of \$1,427,198 over the FY 2022 budgeted amount. County funds represented approximately 31.08% of the Oak Ridge Schools FY 2023 adopted budget.

State Revenues

Representing approximately 39.56% of total budget revenues for the Oak Ridge Schools' budget, state funds must be used for programming guidelines of the Education Improvement Act and the BEP 2.0. The Basic Education Program funding ("BEP") is a proportional funding formula based on a number of factors which include: number of certified staff, average daily attendance, and insurance and retirement costs among others. Overall, the projected state funds increased by \$915,000. It should be noted that FY 1998 was the last year our system received BEP phased-in funding increases. Beginning in FY 1999 and in future years, all increases or decreases will be dictated primarily by student enrollment and fluctuations in State funds for teacher salaries and health insurance, etc. BEP 2.0 funding initiatives began in FY 2008 with specific spending requirements.

City Revenues

Funds from the City of Oak Ridge were budgeted with a \$ - 0 - increase for FY 2023 Budget. Overall City funding represents approximately 23.94% of total school revenues.

Staff Development

Oak Ridge Schools believe the key to excellence of our school system will continue to be a highly qualified and dedicated staff with the encouragement and support to pursue innovated learning strategies. The goal of Oak Ridge Schools Professional Development is to improve classroom instructions in order to increase student achievement, student growth, and system-wide cohesion. The budget provides opportunities at both the building level and the system level for staff development tied to district and school goals.

Special Education-At-Risk

Programming and services for special education are available to students who are eligible under one or more of the disability categories identified by IDEA. Certifying specialists address all referrals and determine a child's eligibility using TN standards for Disability Evaluation and Eligibility. Oak Ridge Schools requires special education staff to develop an appropriate Individualized Education Plan (IEP) with direct services, modifications, accommodations, and or/related services. All staff serving on an individual student's team are responsible for the implementation of the IEP.

Technology Initiatives

The Oak Ridge Schools District operates with an annual Technology Plan. This plan calls for continued sustainability of the one-to-one device initiative for grades K-12, instructional and administrative software, and staff training. The technology department will continue to make technology available, capable, and reliable to students, teachers, administrators, and support staff throughout the system.

Other Information

Internal Controls

An internal controls structure that has been designed, managed, and maintained by the Schools is in place to ensure the district's assets are protected from loss, theft and misuse and to ensure that accurate accounting data is compiled in the preparation of the financial statement in conformity with U.S. Generally Accepted Accounting Principles ("GAAP"). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The Business and Support Services organization chart is attached. In complying with GAAP, Oak Ridge Schools implements all applicable GASB accounting pronouncements.

Independent Audit

State law and the City Charter require an annual audit of the accounts and financial records of the Schools by independent certified public accountants selected by the Board of Education. Brown Jake & McDaniel, P.C. has issued an unqualified opinion on the financial statements of Oak Ridge Schools for the year ended on June 30, 2023. The independent auditors' report has been included in this report at the front of the financial section.

Management's Discussion and Analysis ("MD&A")

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of the MD&A. This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The Schools' MD&A can be found immediately following the Independent Auditor's Report.

Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Business Services Department. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation.

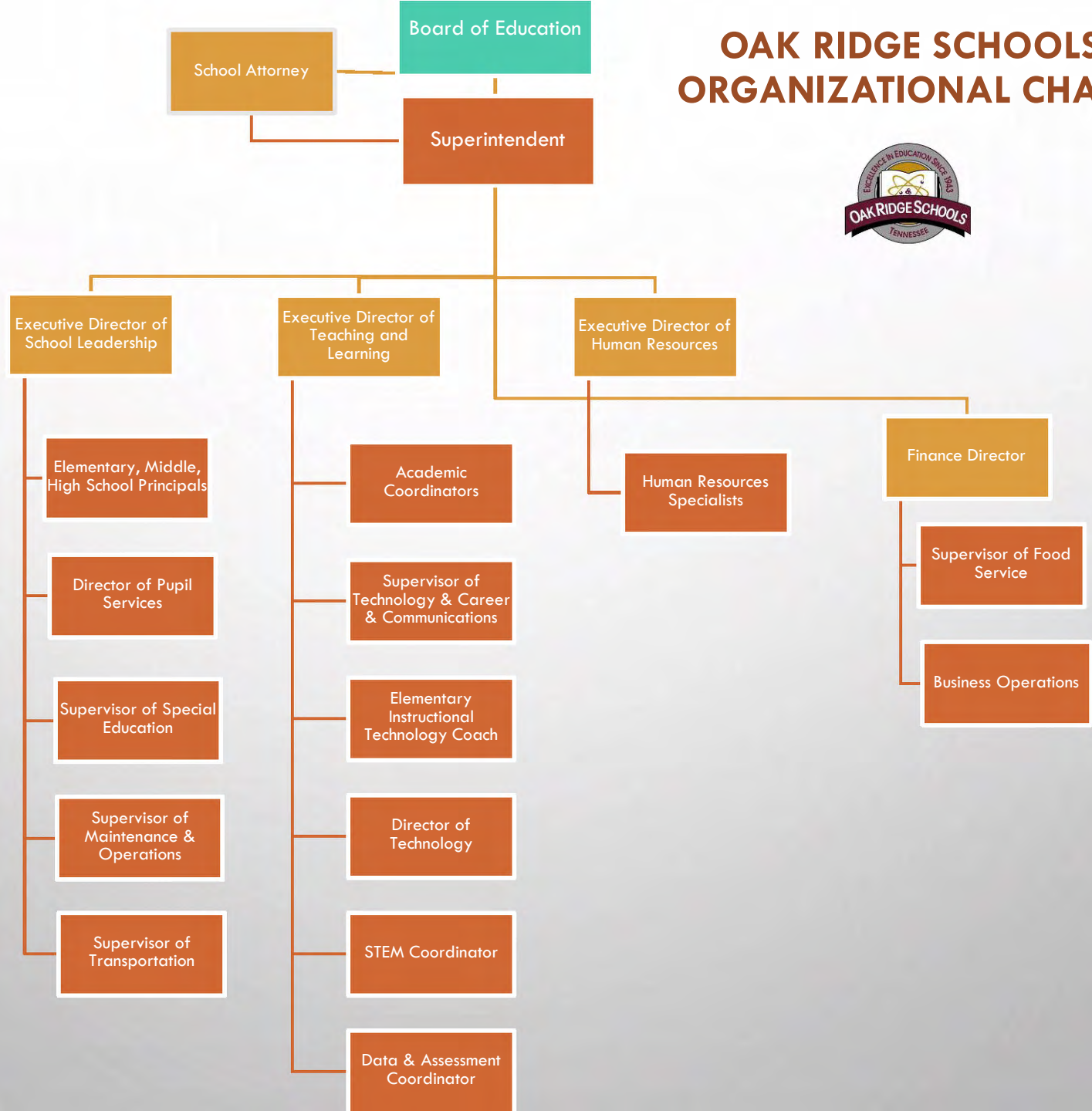
We also wish to thank members of the Board of Education for their continued consideration and support, and for planning and conducting the financial operations of the Schools in a responsible and progressive manner.

Respectfully submitted,



Jenifer Van Dyke
Finance Director

OAK RIDGE SCHOOLS ORGANIZATIONAL CHART



OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

List of Principal Officials

June 30, 2023

Board of Education

Title	Name
Chairman	Keys Fillauer
Vice Chairman	Laura McLean
Board Member	Angi Agle
Board Member	Erin Webb
Board Member	Heather Hartman

Title	Name
Superintendent of Schools	Bruce Borchers, Ph. D
Executive Director of Teaching and Learning	Kelly Williams, Ed. D
Executive Director of School Leadership	Bruce Lay
Executive Director of Human Resources	Matthew Bradburn
School Attorney	Chris McCarty
Director of Pupil Services	Larrissa Henderson, Ed. D
Director of Technology	Doug Cofer
Finance Director	Jenifer Van Dyke
Supervisor of Career Readiness and Communications	Holly Cross, Ed. D
Supervisor of Data Services	Jeff Edmonds
Supervisor of Food Services	Jennifer Taylor
Supervisor of Maintenance and Operations	Allen Thacker
Supervisor of Special Education	John Stults
Supervisor of Transportation and Safety	Isaac Walton

FINANCIAL SECTION

BROWN JAKE & McDANIEL, PC

CERTIFIED PUBLIC ACCOUNTANTS
2607 KINGSTON PIKE, SUITE 110
KNOXVILLE, TENNESSEE 37919-3336
865/637-8600 • fax: 865/637-8601
www.bjmpc.com

JOE L. BROWN, CPA, CGFM, CGMA
FRANK D. McDANIEL, CPA, CGFM, CGMA
TERRY L. MOATS, CPA, CGFM, CGMA
JAMES E. BOOHER, CPA, CGMA
HALEY S. SLAGE, CPA, CGMA

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Education
Oak Ridge Schools
Oak Ridge, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information of the Oak Ridge Schools (the "Schools"), Oak Ridge, Tennessee, a special revenue fund of the City of Oak Ridge, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Schools' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the respective budgetary comparison statements of the General Purpose School Fund and the School Federal Projects Fund of the Oak Ridge Schools, Oak Ridge, Tennessee, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Oak Ridge Public Schools Education Foundation, Inc. (the "Foundation"), a discretely presented component unit, which represents \$4,762,575, \$4,762,575, and (\$817,847), respectively, of the assets, net position, and changes in net position (losses) of the discretely presented component unit as of December 31, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Oak Ridge Schools (the "Schools") and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Schools are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities, discretely presented component units, each major fund, the aggregate remaining fund information of the City of Oak Ridge, Tennessee that is attributable to the transactions of the Schools. They do not purport to, and do not, present fairly the financial position of the City of Oak Ridge, Tennessee as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Oak Ridge Schools (the "Schools") ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 through 19 and the required supplementary information on pages 87 through 96 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Schools' basic financial statements. The other supplementary information, including the schedule of expenditures of federal and state awards and the schedule of noncash federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, including the schedule of expenditures of federal and state awards and the schedule of noncash federal awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023, on our consideration of the Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Schools' internal control over financial reporting or on compliance. In accordance with the Uniform Guidance, we have also issued our report dated December 12, 2023 on our consideration of the Schools' internal control over major programs and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. These reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Schools' internal control over financial reporting and compliance.

Brown Lake & McDaniel, PC

Knoxville, Tennessee
December 12, 2023

**OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

As management of Oak Ridge Schools (the "Schools"), we offer readers of the Schools' financials statements this narrative overview and analysis of the financial activities of the Schools for the fiscal year ended June 30, 2023.

Management's Discussion and Analysis ("MD&A") focuses on current year activities and resulting changes. Please consider the information presented here in conjunction with our Letter of Transmittal (beginning page 1) and the Schools' accompanying financial statements (beginning page 20).

INDEPENDENT AUDIT

The unmodified opinion of our independent external auditors, Brown, Jake and McDaniel, P.C., is included in this report on pages 7 through 9.

FINANCIAL HIGHLIGHTS

Highlights of the financial statements for the year ended June 30, 2023, for Oak Ridge Schools are as follows:

- **Net Position.** Total governmental assets and deferred outflows of resources at year-end were \$126.2 million and were more than liabilities and deferred inflows of resources by \$35.9 million. Of the total net position, the Schools had a balance of \$12.7 million in unrestricted net position. Net position increased from fiscal year ("FY") 2022 to FY 2023 by \$8,226,030.
- **Fund Balances.** At year end, the Schools' governmental funds reported combined ending fund balances of \$20.7 million, of which \$15.5 million is available for spending at the Schools' discretion (unrestricted fund balance).
- **General Purpose School Fund - Fund Balance.** During the current year, total fund balance for the General Purpose School Fund increased by \$312,794 to \$17.1 million or 23.5% of current year expenditures. During the current year, unrestricted fund balance for the General Purpose School Fund decreased by \$76,723 to \$15.3 million or 21.0% of current year expenditures.
- **Governmental Revenues and Expenses.** Governmental revenues were \$84.8 million for FY 2023 and \$91.7 million for FY 2022. Governmental expenses for FY 2023 were \$76.6 million which includes depreciation expense of \$4.0 million.
- **Capital Assets.** Net capital assets decreased by \$583,548 million during FY 2023, which was due to decrease of construction in progress.

SUMMARY OF ORGANIZATION

Oak Ridge Schools were established by the City of Oak Ridge, Tennessee (the City) under the provisions of the City's Charter, Article VI, Section 1-18. The City of Oak Ridge is located in Anderson and Roane Counties. The Schools began operations on June 16, 1959.

**OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Prior to this date, the Schools were operated by the U.S. Atomic Energy Commission, from 1943 through June 15, 1959. The Schools are governed by a Board of Education (the "Board") composed of five citizens who live within the City. Board members serve for a term of four years and are elected by citizens via a city-wide vote. The Board hires a School Superintendent who manages the Schools.

The Schools operate seven schools which consist of four elementary, two middle, and one high school. All of the Schools are accredited by the Southern Association of Colleges and Schools (SACS). In addition, the Schools operate a system-wide preschool program and an elementary extended childcare program.

The Schools receive annual funding from the City of Oak Ridge and a pro-rata share of property taxes and local option sales taxes from Anderson and Roane counties based upon weighted average daily attendance. The Oak Ridge City Council annually approves the Schools' appropriations for its five governmental funds.

OVERVIEW OF THE ANNUAL FINANCIAL STATEMENTS

Management's Discussion and Analysis serves as an introduction to the basic financial statements and supplementary information. The MD&A represents management's examination and analysis of the Schools' financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Schools' budget and other management tools were used for this analysis.

The Schools' basic financial statements comprise five main components: (1) departmental-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, (4) required supplementary information, and (5) supplementary section.

Departmental-Wide Financial Statements. The Schools operate under the City Charter and are considered a department of the City; therefore, these financial statements are "blended" within the City's financial statements. The departmental-wide financial statements are designed to provide readers with a broad overview of the Schools' finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets, liabilities and deferred outflows/inflows of the Schools, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Schools is improving or deteriorating.

The statement of activities presents information showing how the net position of the Schools changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows; thus, some revenues and expenses are reported in this statement for items that will only result in cash flows in future fiscal periods (e.g., long-term liabilities).

The departmental-wide financial statements include not only the Board of Education itself (known as the primary department), but also a legally separate component unit, the Oak Ridge Public Schools Education Foundation, Inc. (the "Foundation"), which provides financial support to the

**OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Schools. Financial information for the Foundation is reported separately from the financial information for the primary department.

The departmental-wide financial statements can be found on pages 20 through 22 of this report.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Schools, like other local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Schools can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the departmental-wide financial statements. However, unlike the departmental-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the departmental-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the departmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Schools maintain five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Purpose Schools Fund and School Federal Projects Fund, each of which are considered to be major funds. The Schools' three non-major funds are the Other Education Special Revenue Fund, the Extended School Program Fund, and Central Cafeteria Fund.

The basic governmental fund financial statements, and reconciliations to the government-wide financial statements can be found on pages 23 through 26 of this report.

Budget to Actual Comparison - Major Funds. The Schools adopt an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for the General Purpose School Fund and the School Federal Projects Fund (major funds) to demonstrate compliance with this budget. Budget to actual comparison for the major funds can be found on pages 27 through 28 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the departmental-wide financial statement because the Schools cannot use these funds to finance its operations.

**OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The Schools use a private purpose trust fund to account for the college scholarships which are awarded to graduating seniors on an annual basis. The basic fiduciary fund financial statements can be found on pages 29 and 30 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential for a full understanding of the data provided in the departmental-wide and fund financial statements. The notes to the financial statements can be found on pages 31 through 86 of this report.

Required Supplementary Information (RSI): This information provides various schedules related to the Tennessee Consolidated Retirement System ("TCRS") plans for the Schools' personnel. Also included are schedules related to the TGOP OPEB Plan and the TNP OPEB Plan for retirees which can be found on pages 95 and 96 of this report.

Supplementary Section: This information provides comparative financial statements for individual funds, schedules of expenditures of federal and state awards and noncash federal awards. The supplementary information can be found on pages 97 through 126 of this report.

DEPARTMENTAL-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Schools' governmental-type assets and deferred outflows of resources were greater than liabilities and deferred inflows by \$35.9 million for June 30, 2023, and assets and deferred outflows of resources were greater than liabilities and deferred inflows by \$27.7 million for June 30, 2022, respectively.

**Table 1
Net Position**

	2023	2022	Increase (Decrease)	Percentage Change
Assets				
Current and Other Assets	\$ 36,877,871	\$ 65,335,884	\$ (28,458,013)	-43.56%
Capital Assets	75,414,614	75,998,162	(583,548)	-0.77%
Total Assets	\$ 112,292,485	\$ 141,334,046	\$ (29,041,561)	-20.55%
Deferred Outflows of Resources	\$ 13,879,478	\$ 16,032,118	\$ (2,152,640)	-13.43%
Liabilities				
Current Liabilities	\$ 10,331,201	\$ 10,249,005	\$ 82,196	0.80%
Noncurrent Liabilities	75,524,586	81,686,228	(6,161,642)	-7.54%
Total Liabilities	\$ 85,855,787	\$ 91,935,233	\$ (6,079,446)	-6.61%
Deferred Inflows of Resources	\$ 4,408,659	\$ 37,749,444	\$ (33,340,785)	-88.32%
Net Position				
Net Investment in Capital Assets	\$ 7,276,344	\$ (3,622,970)	\$ 10,899,314	-300.84%
Restricted	15,976,220	45,201,090	(29,224,870)	-64.66%
Unrestricted	12,654,953	(13,896,633)	26,551,586	-191.06%
Total Net Position	\$ 35,907,517	\$ 27,681,487	\$ 8,226,030	29.72%

**OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

By far the largest portion of the Schools' net position reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Schools use these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the Schools' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from the City, since the capital assets themselves cannot be used to liquidate these liabilities.

The unrestricted net position may be used to meet the Schools' obligations to students, employees, and creditors as well as help fund next year's budget.

The Schools' governmental change in net position increased by \$8,226,030 and \$17,909,852, during FY 2023 and FY 2022, respectively.

**Table 2
Statement of Revenues, Expenses and Change in Net Position**

	2023	2022	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues:				
Charges for Services	\$ 1,026,492	\$ 563,868	\$ 462,624	82.04%
Operating Grants and Contributions	37,506,254	41,138,256	(3,632,002)	-8.83%
General Revenues:				
Property Taxes	12,532,336	12,607,917	(75,581)	-0.60%
Other Local Taxes	9,116,551	8,715,098	401,453	4.61%
Investment Income	616,490	68,824	547,666	795.75%
OPEB Income	343,514	359,914	(16,400)	-4.56%
Pension Income	-	5,548,592	(5,548,592)	>100.00%
Contributions	134,887	12,868	122,019	948.24%
Miscellaneous	808,130	414,164	393,966	95.12%
Gain (loss) on sale of assets	(21,516)	-	(21,516)	>100.00%
Transfer to City for Debt Service	(637,205)	(707,205)	70,000	-9.90%
Transfers from the City's General Fund	23,399,689	22,959,335	440,354	1.92%
Total Revenues	84,825,622	91,681,631	(6,856,009)	-7.48%
Program Expenses				
Instructional	41,372,399	40,040,318	1,332,081	3.33%
Support Services	26,857,189	25,355,564	1,501,625	5.92%
Non-Instructional	5,129,094	5,119,594	9,500	0.19%
Other Capital Outlay	188,583	772,813	(584,230)	-75.60%
Internal School Fund	1,304,911	1,025,326	279,585	27.27%
Interest on Long-Term Debt	1,747,416	1,458,164	289,252	19.84%
Total Expenses	76,599,592	73,771,779	2,827,813	3.83%
Change in Net Position	8,226,030	17,909,852	(9,683,822)	-54.07%
Beginning Net Position	27,681,487	9,771,635	17,909,852	-
Ending Net Position	\$ 35,907,517	\$ 27,681,487	\$ 8,226,030	29.72%

The change in net position in FY 2023 decreased by 54% mostly due to decreased pension income and decreased operating grants and contributions.

**OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Revenues. The Tennessee Education Improvement Act ("EIA") of 1992 established the Tennessee Basic Education Program ("BEP") as the funding formula for kindergarten through grade twelve education in Tennessee. The components of the formula are grouped into two categories for determining the state and local share of formula funding in each school system: classroom and non-classroom. The EIA requires the state to pay 75% of the statewide cost of the classroom components and 50% of the statewide cost of the non-classroom components.

The split within the BEP formula between funding for classroom and non-classroom components has remained fairly constant at the statewide and at the system level, with classroom components making up about 70% of the total. The split between classroom and non-classroom categories in actual local spending varies from that in the BEP formula for several reasons. For example, the BEP formula does not include the cost of local salary supplements. As a result, the actual percent of funds spent in the classroom category may be greater than the percentage of the BEP formula that falls into the classroom category. The Schools' BEP revenues during FY 2023 and FY 2022 were \$25,186,985 and \$23,708,368, respectively, representing a 6.2% increase.

Local taxes which consist of Anderson County and Roane County property taxes and local option sales taxes were \$21,648,887 in FY 2023 and \$21,323,015 in FY 2022, for a 1.5% increase.

Expenses. Annual cash payments from the City's General Fund were \$23,399,689 for FY 2023 and \$22,959,335 for FY 2022, resulting in a 1.9% increase.

Annual payments from the City's Debt Service Fund were \$7,737,505 during FY 2023 and \$7,285,286 during FY 2022 for principal and interest payments related to City-issued school debt for a 6.2% increase.

Instructional expenses represent the largest category for FY 2023 and FY 2022 with expenses of \$39,386,970 and \$39,194,042, respectively, which is 47.0% and 45.0% of total expenses in FY 2023 and FY 2022, respectively.

FINANCIAL ANALYSIS OF THE SCHOOLS' FUNDS

As noted earlier, the Schools use fund accounting to ensure and demonstrate compliance with finance and related legal requirements.

Governmental Funds. The focus of the Schools' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Schools' financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Schools' net resources available for spending at the end of the fiscal year.

**OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

As of June 30, 2023, the Schools' governmental funds reported a combined fund balance of \$20,713,622, an increase of \$747,638 from the previous year. The unassigned fund balance of \$12,230,252 is 59.0% of the combined fund balances. The unassigned fund balance is available for spending at the Schools' discretion. Pursuant to GASB Statement No. 54, the remainder of the fund balance is classified as nonspendable - \$613,449, restricted for a specific purpose per enabling legislation (Career Ladder/Extended Contract and Support Services/Non-instructional) - \$2,081,790, \$1,308,756 for Internal School Funds, restricted bond proceeds - \$457,764, restricted Stabilization Reserve Trust - \$768,699 and unspent for a specific purpose per action by the Board of Education - \$3,252,912.

**Table 3
Balance Sheets - Governmental Funds**

	2023	2022
Total Assets	<u>\$ 26,918,263</u>	<u>\$ 26,896,073</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 6,204,641</u>	<u>\$ 6,930,089</u>
Fund Balances:		
Nonspendable	613,449	33,069
Restricted	4,617,009	4,448,723
Committed	3,252,912	3,243,424
Unassigned	12,230,252	12,240,768
Total Fund Balances	<u>20,713,622</u>	<u>19,965,984</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 26,918,263</u>	<u>\$ 26,896,073</u>

**Table 4
Statements of Revenues, Expenditures and Changes
in Fund Balance - Governmental Funds**

	2023	2022
Revenues		
Local Taxes	\$ 22,057,715	\$ 21,323,015
Charges for Services	1,405,688	888,294
Other Local Sources	826,874	141,432
State of Tennessee - BEP	25,186,985	23,708,368
State of Tennessee - Other	1,288,602	1,368,788
Federal Government	9,028,662	14,922,571
Other Local Revenues	1,515,848	1,053,980
SRT Investment Income	45,373	27,883
Other	385,393	86,665
Total Revenues	<u>61,741,140</u>	<u>63,520,996</u>
Expenditures		
Instructional	39,386,970	39,194,042
Support Services	27,155,342	25,733,060
Non-Instructional	6,667,657	6,331,221
Capital Outlays	2,808,512	9,110,536
Debt Service	7,737,505	7,285,286
Total Expenses	<u>83,755,986</u>	<u>87,654,145</u>
Total Other Financing Sources (Uses) - Net	<u>22,762,484</u>	<u>28,152,130</u>
Net Changes in Fund Balances	747,638	4,018,981
Beginning Fund Balance	<u>19,965,984</u>	<u>15,947,003</u>
Ending Fund Balance	<u>\$ 20,713,622</u>	<u>\$ 19,965,984</u>

**OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

General Purpose School Fund. The General Purpose School Fund is the main operating fund of the Schools. At June 30, 2023, unrestricted fund balance was \$15,259,631 while total fund balance was \$17,080,716. As a measure of the fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total expenditures. Unrestricted fund balance represents 23.5% of total general purpose school fund expenditures. The total fund balance represents 21.0% of total general purpose school fund expenditures.

The fund balance of the Schools' General Purpose School Fund increased by \$312,794 during the current fiscal year. A few highlights of the General Purpose School Funds are as follows:

- Revenues and other net financing sources were \$73,666,629 for FY 2023 and \$76,161,328 for FY 2022, a decrease of \$2,494,699 due primarily to a bond issue used to refund existing bonds in the prior year.
- Expenditures and other financing uses were \$73,353,835 for FY 2023 and \$73,077,475 for FY 2022, an increase of \$276,360 due primarily to a bond issue used to refund existing bonds in the prior year.
- Instructional expenditures represent 50.2% of the total expenditures for FY 2023 and 46.1% for FY 2022.

School Federal Projects Fund. The School Federal Projects Fund, which accounts for a majority of the Schools' federal grants, reported expenditures of \$6,829,646 for 2023 and \$11,300,092 for 2022, with a net decrease of \$4,470,446.

MAJOR FUNDS BUDGETARY HIGHLIGHTS

The General Purpose School Fund's fund balance only increased \$312,794 which was due in large part to the Schools debt service and capital asset acquisition activity in the prior year.

The General Purpose School Fund's budgetary comparison statements are on pages 100 and 101.

The School Federal Projects Fund had (\$2.9) million less than budgeted in revenues and (\$2.8) million less than budgeted in expenditures in 2023.

The School Federal Project Fund's budgetary comparison statements are on page 104.

CAPITAL ASSETS

The Schools' investment in capital assets for its governmental activities as of June 30, 2023, was \$154.9 million with accumulated depreciation of \$79.5 million resulting in a net book value of \$75.4 million. The majority of net capital assets are land, buildings, and related improvements, which were \$72.3 million or 95.9% of total net capital assets.

The majority of capital asset activity is due to capital projects at various schools.

Additional information on the Schools' capital assets can be found in Note 4 to the financial statements.

**OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES

Total long-term debt at June 30, 2023 and 2022, was \$73.7 million and \$79.6 million, respectively. Total long-term debt decreased from FY 2022 to FY 2023 by \$5.9 million.

Total other long-term liabilities at June 30, 2023 and 2022, were \$7.2 million and \$7.5 million, respectively. Total other long-term liabilities increased from FY 2022 to FY 2023 by \$0.3 million.

Additional information on the Schools' long-term debt and other long-term liabilities can be found in Notes 5, 6, 13, 14, 15, 16 and 17 to the financial statements.

ENROLLMENT

The Schools' enrollment has increased steadily since FY 2019. Current enrollment is 4,873 for FY 2023 compared to 4,811 for FY 2022. Due to projected new residential developments, management is closely monitoring various factors affecting future enrollment.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

During the preparation of the FY 2024 budget, the following major assumptions were used.

- FY 2024 budgeted expenditures for the General Purpose School Fund were \$72.5 million.
- Compensation and benefits budgeted in FY 2024 for employees increased by \$1,913,031 over the prior year.
- For FY 2024, the Schools have projected no increase in dental, vision, or life insurance premiums, but an 8.0% increase in health insurance premiums. A projected TCRS employer contribution rate of 6.81% for certified (teachers) staff and 6.18% for non-certified (support) staff was used.

FINAL COMMENTS

The entire Oak Ridge School District (all four elementary schools, two middle schools, and the high school) are STEM Certified by Cognia. It is the first entire district to be certified in the State of Tennessee and the second entire district in the world. Our focus on STEM demonstrates our continued commitment to ensure every Oak Ridge student is prepared for college, career, and life success.

**OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The Oak Ridge School District was born in the shadow of the Manhattan Project in 1943. Like the project that brought together the nation's greatest minds for a common goal, the school system set the bar high for educational excellence from the beginning. Oak Ridge Schools offer a challenging STEM curriculum with a deliberate focus on collaboration, communication, critical thinking, and creativity to ensure success for every student.

CONTACTING THE SCHOOLS

This financial report is designed to provide our citizens, parents, students, creditors, and regulatory agencies with an overview of the Schools' finances. If you have any questions about this report or need additional information, you may contact the Schools as follows:

Ms. Jenifer Van Dyke
Finance Director
Oak Ridge Schools
304 New York Avenue, Oak Ridge, Tennessee 37830
865-425-9004
www.ortn.edu

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Statement of Net Position

June 30, 2023

	Departmental - Governmental Activities	Component Unit - Foundation
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and cash equivalents	\$ 14,812,450	\$ 227,895
Investments, at fair value	-	3,650,487
Accounts receivable	970,618	-
Due from other governments	2,367,169	-
Other accounts receivable	-	-
Inventory	-	3,076
Prepaid items	594,622	-
Total current assets	<u>18,744,859</u>	<u>3,881,458</u>
Restricted assets:		
Cash and cash equivalents	3,912,845	-
Investment - Stabilization Reserve Trust	768,699	-
Accounts receivable	4,375	-
Grants receivable	2,087,882	-
Inventory	18,827	-
	<u>6,792,628</u>	<u>-</u>
Capital assets:		
Land	156,355	-
Construction in progress	494,462	-
Building and equipment - net of accumulated depreciation	<u>74,763,797</u>	<u>-</u>
Total capital assets	<u>75,414,614</u>	<u>-</u>
Other assets:		
Net pension asset	11,340,384	-
Unconditional promises to give, net	-	28,129
Investments - endowment, at fair value	<u>-</u>	<u>816,988</u>
Total other assets	<u>11,340,384</u>	<u>845,117</u>
Total non-current assets	<u>86,754,998</u>	<u>845,117</u>
Total assets	<u>112,292,485</u>	<u>4,726,575</u>
Deferred outflows of resources:		
Pension contributions subsequent to the measurement date - pension	2,849,451	-
Investment earnings - pension	236,480	-
Contributions subsequent to the measurement date - OPEB	224,821	-
Changes in proportionate and differences between contributions and proportionate share of contributions - pension	72,212	-
Changes in proportionate share of liability - OPEB	104,284	-
Change in assumptions - pension	6,791,935	-
Change in assumptions - OPEB	584,080	-
Differences between expected and actual experience - pension	1,956,328	-
Differences between expected and actual experience - OPEB	1,059,887	-
Differences between projected and actual earnings on pension plan investments	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>13,879,478</u>	<u>-</u>

(Continued)

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Statement of Net Position
(Continued)

June 30, 2023

	Departmental - Governmental Activities	Component Unit - Foundation
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>		
Current liabilities (payable from current assets):		
Accounts payable	\$ 432,579	\$ -
Retainage payable	304,404	-
Accrued interest payable - long-term debt	156,704	-
Accrued salaries and benefits	3,710,731	-
Current portion of other long-term liabilities	552,808	-
Current portion of long-term debt	4,861,100	-
Current liabilities (payable from restricted assets):		
Accounts payable	146,882	-
Deferred revenue	1,000	-
Accrued salaries and benefits	164,993	-
Total current liabilities (payable from current assets)	<u>10,331,201</u>	<u>-</u>
Non-current liabilities:		
Net OPEB liability	6,223,006	-
Long-term debt	68,867,338	-
Other long-term liabilities	434,242	-
Total non-current liabilities	<u>75,524,586</u>	<u>-</u>
Total liabilities	<u>85,855,787</u>	<u>-</u>
Deferred inflows of resources:		
Advance payments - school food service	43,337	-
Other deferred inflows of resources	19,939	-
Debt refunding	147,737	-
Differences between expected and actual experience - pension	1,735,001	-
Differences between expected and actual experience - OPEB	899,798	-
Changes in proportionate and differences between contributions and proportionate share of contributions - pension	156,795	-
Changes in proportionate share of liability - OPEB	536,279	-
Changes in assumptions - OPEB	869,773	-
Investment earnings	-	-
Total deferred inflows of resources	<u>4,408,659</u>	<u>-</u>
Net position:		
Net investment in capital assets	7,276,344	-
Restricted	15,976,220	905,868
Unrestricted	12,654,953	3,820,707
Total net position	<u>\$ 35,907,517</u>	<u>\$ 4,726,575</u>

The accompanying notes are an integral
part of these financial statements.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Statement of Activities

Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Departmental Governmental Activities	Component Unit - Foundation
<u>Governmental Activities</u>						
Instructional	\$ 41,372,399	\$ 341,101	\$ 32,443,805	\$ -	\$ (8,587,493)	\$ -
Support services	26,857,189	-	695,557	-	(26,161,632)	-
Non-instructional	5,129,094	685,391	2,851,044	-	(1,592,659)	-
Other capital outlay	188,583	-	-	-	(188,583)	-
Internal school fund	1,304,911	-	1,515,848	-	210,937	-
Interest on long-term debt	1,747,416	-	-	-	(1,747,416)	-
Total governmental activities	<u>\$ 76,599,592</u>	<u>\$ 1,026,492</u>	<u>\$ 37,506,254</u>	<u>\$ -</u>	<u>(38,066,846)</u>	<u>-</u>
<u>Component Unit</u>						
Foundation	<u>\$ 1,033,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,116</u>	<u>-</u>	<u>(894,617)</u>
General revenues:						
					12,532,336	-
Property taxes					9,116,166	-
Local option sales and mineral severance taxes					385	-
Mixed drink taxes					616,490	86,770
Investment income, net					134,887	-
Contributions					343,514	-
OPEB income					-	-
Pension income					808,130	-
Miscellaneous					(21,516)	-
Gain or loss on sale of assets					-	(10,000)
Payments to primary government - City/Schools					(637,205)	-
Transfer to the City for debt service					23,399,689	-
Transfers from the City						-
Total general revenues					<u>46,292,876</u>	<u>76,770</u>
Change in net position					8,226,030	(817,847)
Net position, beginning					<u>27,681,487</u>	<u>5,544,422</u>
Net position, ending					<u>\$ 35,907,517</u>	<u>\$ 4,726,575</u>

The accompanying notes are an integral
part of these financial statements.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Balance Sheet - Governmental Funds

June 30, 2023
(With Comparative Totals for June 30, 2022)

	Major Funds			Total (Memorandum Only)	
	General Purpose School Fund	School Federal Projects Fund	Other Nonmajor Funds	2023	2022
<u>ASSETS</u>					
Cash and cash equivalents	\$ 14,812,450	\$ -	\$ -	\$ 14,812,450	\$ 16,033,179
Accounts receivable	970,618	-	-	970,618	605,327
Investments	-	-	-	-	-
Advances to other funds	1,091,035	-	-	1,091,035	1,434,333
Due from governmental units	2,367,169	-	-	2,367,169	2,140,109
Prepaid items	594,622	-	-	594,622	7,315
Restricted assets:					
Cash and cash equivalents	457,764	-	3,455,081	3,912,845	3,154,781
Investment - Stabilization Reserve Trust	768,699	-	-	768,699	589,634
Accounts receivable	-	-	4,375	4,375	5,542
Grants receivable	775,753	1,258,272	53,857	2,087,882	2,047,630
Inventory	-	-	18,827	18,827	27,669
Advances to other funds	-	-	289,741	289,741	850,554
Total assets	\$ 21,838,110	\$ 1,258,272	\$ 3,821,881	\$ 26,918,263	\$ 26,896,073
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 432,579	\$ -	\$ -	\$ 432,579	\$ 417,075
Retainage payable	304,404	-	-	304,404	423,887
Accrued salaries and benefits	3,710,731	-	-	3,710,731	3,549,350
Liabilities (payable from restricted assets):					
Accounts payable	-	11,400	135,482	146,882	83,469
Accrued salaries and benefits	-	154,837	10,156	164,993	149,026
Due to other funds	289,741	1,091,035	-	1,380,776	2,284,887
Deferred revenue	-	1,000	-	1,000	-
Total liabilities	4,737,455	1,258,272	145,638	6,141,365	6,907,694
Deferred inflows of resources	19,939	-	43,337	63,276	22,395
Fund balances:					
Nonspendable - prepaid expenditures	594,622	-	-	594,622	5,400
Nonspendable - inventories	-	-	18,827	18,827	27,669
Restricted - career ladder/extended contract	-	-	-	-	-
Restricted - support services/ non-instructional	-	-	2,081,790	2,081,790	1,924,736
Restricted for education	-	-	1,308,756	1,308,756	1,097,819
Restricted - bond proceeds	457,764	-	-	457,764	836,534
Restricted - Stabilization Reserve Trust	768,699	-	-	768,699	589,634
Unrestricted:					
Committed	3,029,379	-	223,533	3,252,912	3,243,424
Unassigned	12,230,252	-	-	12,230,252	12,240,768
Total fund balances*	17,080,716	-	3,632,906	20,713,622	19,965,984
Total liabilities, deferred inflows of resources and fund balances	\$ 21,838,110	\$ 1,258,272	\$ 3,821,881	\$ 26,918,263	\$ 26,896,073

*Includes unspent bond proceeds of \$457,764.

The accompanying notes are an integral part of these financial statements.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

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

June 30, 2023

Total fund balances--governmental funds		\$ 20,713,622
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$154,932,407 and the accumulated depreciation is (\$79,517,793).		75,414,614
The net pension asset is not an available resource and, therefore, is not reported in the funds:		11,340,384
Deferred outflows and inflows of resources are reported on the Statement of Net Position for future inflow or outflow of resources that are not reported on the governmental funds balance sheet:		
Deferred outflows of resources:		
Pension contributions subsequent to the measurement date - pension	\$ 2,849,451	
Investment earnings - pension	236,480	
Contributions subsequent to the measurement date - OPEB	224,821	
Changes in proportionate and differences between contributions and proportionate share of contributions - pension	72,212	
Changes in proportionate and differences between contributions and proportionate share of contributions - OPEB	104,284	
Change in assumptions - pension	6,791,935	
Change in assumptions - OPEB	584,080	
Differences between expected and actual experience - pension	1,956,328	
Differences between expected and actual experience - OPEB	1,059,887	
Deferred inflows of resources:		
Differences between expected and actual experience - pension	(1,735,001)	
Differences between expected and actual experience - OPEB	(899,798)	
Changes in proportionate and differences between contributions and proportionate share of contributions - pension	(156,795)	
Changes in proportionate and differences between contributions and proportionate share of contributions - OPEB	(536,279)	
Changes in assumptions - OPEB	(869,773)	
Bond refunding	<u>(147,737)</u>	9,534,095
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. These liabilities consist of:		
General obligation bonds	(60,495,072)	
Notes payable	(5,452,288)	
Bond discounts and premiums, net	(5,590,168)	
Accrued interest payable - bonds and notes	(156,704)	
Capitalized outlay obligations	(2,190,910)	
Other post employment benefit obligations (OPEB)	(6,223,006)	
Compensated absences	(444,245)	
Termination benefits	<u>(542,805)</u>	<u>(81,095,198)</u>
Total net position--governmental activities		\$ <u>35,907,517</u>

The accompanying notes are an integral
part of these financial statements.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Major Funds		Other	Total	
	General Purpose	School Federal	Nonmajor	(Memorandum Only)	
	School Fund	Projects Fund	Funds	2023	2022
Revenues:					
Property taxes	\$ 12,532,336	\$ -	\$ -	\$ 12,532,336	\$ 12,607,917
Local option sales taxes	9,116,166	-	-	9,116,166	8,714,780
Mixed drink taxes	385	-	-	385	318
Local mineral severance taxes	-	-	-	-	-
Charges for services	347,081	-	1,058,607	1,405,688	888,294
Other local sources	789,784	-	37,090	826,874	141,432
State of Tennessee - BEP	25,186,985	-	-	25,186,985	23,708,368
State of Tennessee - other	1,577,278	-	120,152	1,697,430	1,368,788
Federal government	68,534	7,064,811	1,895,317	9,028,662	14,922,571
Other local revenues	45,373	-	1,515,848	1,515,848	1,053,980
SRT investment income	-	-	-	45,373	27,883
Other	357,853	-	27,540	385,393	86,665
Total revenues	50,021,775	7,064,811	4,654,554	61,741,140	63,520,996
Expenditures:					
Current:					
Instructional:					
Regular instruction	28,979,453	1,334,459	-	30,313,912	30,793,840
Alternative school	865,793	-	-	865,793	819,702
Special education	4,745,579	1,016,694	-	5,762,273	5,172,909
Technology and career	1,896,974	548,018	-	2,444,992	2,407,591
Total instructional	36,467,799	2,899,171	-	39,366,970	39,194,042
Support services:					
Health services	649,498	204,526	-	854,024	1,115,255
Other student support	1,709,904	435,543	-	2,145,447	2,119,869
Instructional staff	3,367,139	1,614,917	-	4,982,056	4,503,529
Special education	752,876	248,339	-	1,001,215	1,077,547
Technology and career	180,088	1,894	-	181,982	143,739
Technology services	2,641,193	14,358	-	2,655,551	2,501,476
Communications	128,867	-	-	128,867	125,082
Board of Education	1,191,288	-	-	1,191,288	1,113,713
Office of superintendent	368,185	-	-	368,185	354,862
Office of principal	4,143,364	-	-	4,143,364	3,922,470
Fiscal services	937,168	-	-	937,168	852,285
Human resources/personnel	446,128	-	-	446,128	417,703
Operation of plant	4,452,457	-	-	4,452,457	4,164,154
Maintenance of plant	1,916,783	-	-	1,916,783	1,733,606
Other	-	17,109	-	17,109	-
Transportation	1,672,172	61,546	-	1,733,718	1,587,770
Total support services	24,557,110	2,598,232	-	27,155,342	25,733,060
Non-instructional:					
Food service	-	-	2,376,278	2,376,278	2,574,210
Operation of non-instructional services	-	-	1,304,911	1,304,911	1,025,326
Community service / early childhood education	-	1,181,984	607,944	1,789,928	1,668,830
Other	-	-	-	-	-
Pre-K program - grant	459,464	-	-	459,464	459,659
Pre-K program - local	737,076	-	-	737,076	603,196
Total non-instructional	1,196,540	1,181,984	4,289,133	6,667,657	6,331,221
Other capital outlay:					
Capital outlay	2,658,253	150,259	-	2,808,512	9,110,536
Debt service:					
Principal on capitalized leases	251,645	-	-	251,645	243,276
Interest on capitalized leases	23,410	-	-	23,410	25,692
Principal on bonds and notes payable	5,199,499	-	-	5,199,499	4,841,365
Interest on bonds and notes payable	2,262,951	-	-	2,262,951	2,174,953
Total debt service	7,737,505	-	-	7,737,505	7,285,286
Total expenditures	72,637,207	6,829,646	4,289,133	83,755,986	87,654,145
Revenues over (under) expenditures	(22,615,432)	235,165	365,421	(22,014,846)	(24,133,149)
Other financing sources (uses):					
Transfers in - from city	23,399,689	-	-	23,399,689	22,959,335
Transfers in - other funds	245,165	-	79,423	324,588	405,927
Transfers out - other funds	(79,423)	(235,165)	(10,000)	(324,588)	(405,927)
Transfers out - debt service to City	(637,205)	-	-	(637,205)	(707,205)
Bond refunding	-	-	-	-	-
Cost of issuance	-	-	-	-	(46,513)
Underwriter's discount	-	-	-	-	(37,253)
Swap termination fees	-	-	-	-	-
Contribution from City	-	-	-	-	-
Bond premiums	-	-	-	-	463,766
Bond proceeds	-	-	-	-	5,520,000
Total other financing sources (uses)	22,928,226	(235,165)	69,423	22,762,484	28,152,130
Net change in fund balances	312,794	-	434,844	747,638	4,018,981
Fund balance, beginning	16,767,922	-	3,198,062	19,965,984	15,947,003
Fund balance, ending*	\$ 17,080,716	\$ -	\$ 3,632,906	\$ 20,713,622	\$ 19,965,984

*Includes unspent bond proceeds of \$457,764.

The accompanying notes are an integral
part of these financial statements.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2023

Total net change in fund balances--governmental funds	\$ 747,638
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation expense (\$4,043,045) is less than capital outlays \$3,481,013.	(562,032)
Gain or loss on sale of assets	(21,516)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Principal refunding and repayments	5,445,223
Amortization of bond premiums and debt refunding	530,413
Change in accrued interest payable on long-term debt that is not due and payable in the current period and therefore is not reported with the funds.	14,452
Deferred inflows/outflows: In the governmental funds, pension contributions are reported as an expenditure when they are due and payable. However, in the statement of activities, pension expense consists of reporting certain changes in the net pension liability (asset) of the government.	2,264,249
In the governmental funds, OPEB contributions are reported as an expenditure when they are due and payable. However, in the statement of activities, OPEB expense consists of reporting certain changes in the total OPEB liability (asset) of the government.	(187,518)
In the governmental funds, the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	-
Governmental funds report compensated absences and termination benefits that mature or are used shortly after year end as an expenditure. However, the long-term portion is not reported in the governmental funds. Compensated absences Termination benefits	<div style="display: flex; justify-content: space-between;"> <div style="text-align: right;">\$ (49,508)</div> <div style="text-align: right;">44,630</div> </div> <div style="text-align: right;">(4,878)</div>
Rounding	(1)
Changes in net position of governmental activities	<u>\$ 8,226,030</u>

The accompanying notes are an integral
part of these financial statements.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Major Governmental Funds

For Fiscal Year Ended June 30, 2023

	General Purpose School Fund				School Federal Projects Fund			
	Original Budget	Final Budget	2023 Actual	Variance with Final Budget	Original Budget	Final Budget	2023 Actual	Variance with Final Budget
Revenues:								
Property taxes	\$ 12,832,909	\$ 12,832,909	\$ 12,532,336	\$ (300,573)	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	7,288,185	7,288,185	9,116,166	1,827,981	-	-	-	-
Mixed drink taxes	125	125	385	260	-	-	-	-
Local mineral severance taxes	125	125	-	(125)	-	-	-	-
Charges for services	302,500	302,500	347,081	44,581	-	-	-	-
Other local sources	347,500	302,358	789,784	487,426	-	-	-	-
State of Tennessee - BEP	24,636,000	24,736,000	25,186,985	450,985	-	-	-	-
State of Tennessee - other	974,252	3,222,482	1,577,278	(1,645,204)	-	-	-	-
Federal government	25,000	25,000	68,534	43,534	10,031,877	9,961,936	7,064,811	(2,897,125)
SRT investment income	-	-	45,373	45,373	-	-	-	-
Other	82,100	344,205	357,853	13,648	-	-	-	-
Total revenues	46,488,696	49,053,889	50,021,775	967,886	10,031,877	9,961,936	7,064,811	(2,897,125)
Expenditures:								
Instructional:								
Regular instruction	29,102,659	29,185,135	28,979,453	(205,682)	2,506,681	2,429,002	1,334,459	(1,094,543)
Alternative school	871,598	887,471	865,793	(21,678)	-	-	-	-
Special education	4,902,959	5,008,076	4,745,579	(262,497)	1,008,497	1,308,940	1,016,694	(292,246)
Technology and career	1,642,501	2,931,536	1,896,974	(1,034,562)	313,941	561,828	548,018	(13,810)
Other	915,000	39,905	-	(39,905)	2,000,000	-	-	-
Total instructional	37,434,717	38,052,123	36,487,799	(1,564,324)	5,829,119	4,299,770	2,899,171	(1,400,599)
Support services:								
Health services	685,284	683,460	649,498	(33,962)	15,000	218,800	204,526	(14,274)
Other student support	1,718,738	1,748,367	1,709,904	(38,463)	557,720	694,827	435,543	(259,284)
Instructional staff	3,436,679	3,454,561	3,367,139	(87,422)	1,744,574	1,802,706	1,614,917	(187,789)
Special education	847,010	811,552	752,876	(58,676)	310,903	393,717	248,339	(145,378)
Technology and career	126,932	194,775	180,088	(14,687)	5,000	1,890	1,894	4
Technology services	2,714,421	2,701,152	2,641,193	(59,959)	2,000	26,233	14,358	(11,875)
Communications	129,237	153,560	128,867	(24,693)	-	-	-	-
Board of education	1,122,844	1,139,493	1,191,288	51,795	-	-	-	-
Office of superintendent	381,236	381,797	368,185	(13,612)	-	-	-	-
Office of principal	4,091,032	4,209,661	4,143,364	(66,297)	-	-	-	-
Other	-	-	-	-	-	46,200	17,109	(29,091)
Fiscal services	972,723	946,730	937,168	(9,562)	-	-	-	-
Human resources/personnel	456,900	456,701	446,128	(10,573)	-	-	-	-
Operation of plant	4,713,674	4,563,021	4,452,457	(110,564)	-	-	-	-
Maintenance of plant	1,905,776	1,990,194	1,916,783	(73,411)	-	-	-	-
Transportation	1,696,898	1,798,556	1,672,172	(126,384)	300,000	387,479	61,546	(325,933)
Food service	-	-	-	-	-	-	-	-
Total support services	24,999,384	25,233,580	24,557,110	(676,470)	2,935,197	3,571,852	2,598,232	(973,620)

(Continued)

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Major Governmental Funds (Continued)

For Fiscal Year Ended June 30, 2023

	General Purpose School Fund				School Federal Projects Fund			
	Original Budget	Final Budget	2023 Actual	Variance with Final Budget	Original Budget	Final Budget	2023 Actual	Variance with Final Budget
Expenditures (continued):								
Non-instructional:								
Community services	\$ -	\$ -	\$ -	\$ -	\$ 1,057,561	\$ 1,209,080	\$ 1,181,984	\$ (27,096)
Other	-	-	-	-	-	-	-	-
Pre-k program - grant	463,963	459,639	459,464	(175)	-	-	-	-
Pre-k program - local	761,435	749,282	737,076	(12,206)	-	-	-	-
Total non-instructional	1,225,398	1,208,921	1,196,540	(12,381)	1,057,561	1,209,080	1,181,984	(27,096)
Other capital outlay:								
Capital outlay	1,032,205	2,755,272	2,658,253	(97,019)	60,000	524,619	150,259	(374,360)
Debt service:								
Principal on capitalized leases	-	-	251,645	251,645	-	-	-	-
Interest on capitalized leases	-	-	23,410	23,410	-	-	-	-
Principal on bonds and notes payable	-	6,809	5,199,499	5,192,690	-	-	-	-
Interest on bonds and notes payable	-	191	2,262,951	2,262,760	-	-	-	-
Total debt service	-	7,000	7,737,505	7,730,505	-	-	-	-
Total expenditures	64,691,704	67,256,896	72,637,207	5,380,311	9,881,877	9,605,321	6,829,646	(2,775,675)
Revenues over (under) expenditures	(18,203,008)	(18,203,007)	(22,615,432)	(4,412,425)	150,000	356,615	235,165	(121,450)
Other financing sources (uses):								
Transfers in - from city	15,493,963	15,493,963	23,399,689	7,905,726	-	-	-	-
Transfer in - other funds	180,000	180,000	245,165	65,165	-	-	-	-
Transfers out - other funds	(79,501)	(79,501)	(79,423)	78	(150,000)	(356,615)	(235,165)	121,450
Transfer out - debt service to City	-	-	(637,205)	(637,205)	-	-	-	-
Bond refunding	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-
Underwriter's discount	-	-	-	-	-	-	-	-
Swap termination fees	-	-	-	-	-	-	-	-
Contribution from City	-	-	-	-	-	-	-	-
Bond premiums	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-
Total other financing sources - net	15,594,462	15,594,462	22,928,226	7,333,764	(150,000)	(356,615)	(235,165)	121,450
Net change in fund balances	\$ (2,608,546)	\$ (2,608,545)	312,794	\$ 2,921,339	\$ -	\$ -	-	\$ -
Fund balance, beginning			16,767,922				-	
Fund balance, ending*			\$ 17,080,716				\$ -	

*Includes unspent bond proceeds of \$457,764.

The accompanying notes are an integral
part of these financial statements.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2023

	Private Purpose Trust - Scholarship Fund	Total Funds
	<hr/>	<hr/>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 103,543	\$ 103,543
	<hr/>	<hr/>
Total assets	\$ 103,543	\$ 103,543
	<hr/>	<hr/>
<u>LIABILITIES AND NET POSITION</u>		
Liabilities (payable from current assets):		
Accounts payable	\$ -	\$ -
	<hr/>	<hr/>
Total liabilities	-	-
	<hr/>	<hr/>
Net position:		
Held in trust for scholarships	103,543	103,543
	<hr/>	<hr/>
Total net position	103,543	103,543
	<hr/>	<hr/>
Total liabilities and net position	\$ 103,543	\$ 103,543
	<hr/>	<hr/>

The accompanying notes are an integral
part of these financial statements.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

Year Ended June 30, 2023

	Private Purpose Trust - Scholarship Fund	Total Funds
<u>ADDITIONS</u>		
Investment income	\$ 3,459	\$ 3,459
Contributions	<u>15,500</u>	<u>15,500</u>
Total additions	<u>18,959</u>	<u>18,959</u>
<u>DEDUCTIONS</u>		
Scholarship awards	<u>2,700</u>	<u>2,700</u>
Total deductions	<u>2,700</u>	<u>2,700</u>
Change in net position	16,259	16,259
Net position, beginning of year	<u>87,284</u>	<u>87,284</u>
Net position, end of year	<u>\$ 103,543</u>	<u>\$ 103,543</u>

The accompanying notes are an integral
part of these financial statements.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements

June 30, 2023

1. Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The Oak Ridge Board of Education (the "Schools") was established by the City of Oak Ridge, Tennessee (the "City") under the provisions of the City's Charter, Article VI, Sections 1-18.

Oak Ridge Schools operate eight schools which consist of one preschool, four elementary, two middle and one high school. All of the schools, with the exception of the preschool, are accredited by the Southern Association of Colleges and Schools ("SACS"). The School System is responsible for the public education of children in grades K through 12 who reside within the boundaries of the City of Oak Ridge. Students who live outside the city limits may attend, subject to space availability and the payment of tuition.

The Schools are a department of the City of Oak Ridge and are not a separate legal entity. Therefore, the Schools' financial statements are also included in the City's Annual Comprehensive Financial Report ("ACFR"). The Schools' departmental-wide financial statements will be blended within the City's ACFR in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 14. In accordance with the City's Charter, the City Council approves and issues long-term debt, such as bonds and notes payable to provide the financing for the acquisition and construction of the Schools' facilities.

The financial statements present only the Oak Ridge Schools and are not intended to present fairly the financial position of the City of Oak Ridge, Tennessee, or the results of its operations and cash flows of its proprietary fund in conformity with generally accepted accounting principles.

Discretely Presented Major Component Units

Oak Ridge Public Schools Education Foundation, Inc. (the "Foundation") is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Foundation's primary mission is to enhance, promote and support the City of Oak Ridge Schools. The Foundation receives donations and pledges from individuals, corporations and other donors. The Schools do not appoint or approve the Foundation's budget or Board of Directors. However, since the Foundation's main purpose is to provide financial support to the Schools, this meets the definition of a component unit in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, paragraph five.

The Foundation has been reported in the Schools' departmental-wide financial statements as a major component unit. The Foundation has been audited by a separate certified public accounting firm for the year ended December 31, 2022. The Schools have included the Foundation's results with a different year-end in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, paragraph 59. The Foundation published separate financial statements and may be obtained from:

Ms. Susanne Wren
Oak Ridge Public Schools Education Foundation, Inc.
MS-22, P.O. Box 117
Oak Ridge, TN 37831 (865) 241-3667

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

1. Summary of Significant Accounting Policies (Continued)

(b) Basis of Presentation

The Schools follows Governmental Accounting Standards Board standards for external financial reporting for all state and local governmental entities, which includes a statement of net position, a statement of activities and changes in net position. These standards require the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. The classifications are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted - This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

The Schools basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

1. Government-Wide Financial Statements:

The statement of net position and the statement of activities display information about the Schools as a whole.

The statement of net position presents the financial condition of the governmental activities of the Schools at year-end. The statement of activities presents a comparison between direct expenses and program or function of the Schools' governmental activities.

Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Schools. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Schools.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

1. Summary of Significant Accounting Policies (Continued)

(b) Basis of Presentation (Continued)

2. **Fund Financial Statements:**

During the year, the Schools segregate transactions related to certain school functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Schools at this detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The following are the Schools' funds:

Major Funds:

The General Purpose School Fund is the main operating fund of the Schools. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues are received from local taxes, state and federal revenues and charges for services.

The School Federal Projects Fund is used to account for the proceeds of federal award grant programs requiring separate accounting because of legal or regulatory provisions or administrative action.

Non-Major Funds:

The Other Education Special Revenue Fund is used to account for the activities assisting at risk children and their families. The fund accounts for the Family Resource Center and the Safe Schools Act activities which are funded by federal awards.

The Extended School Program Fund is used to account for the fees collected for the Schools' extended child care program.

The Central Cafeteria Fund is used to account for the activities related to food services. The revenue also supports preparing and serving regular and incidental meals, lunches, or snacks in connection with school activities and food delivery. Revenue is collected in the form of meal charges, fees for special events and programs, and state and federal reimbursements under the national school lunch and breakfast programs.

Oak Ridge Schools Internal School Funds ("ORS-ISF") is used to account for the funds held at individual schools for which all earnings and resources of the fund are used to benefit the students.

The Schools' fiduciary funds are the following private purpose trust and agency funds:

The Scholarship Fund is used to account for resources legally held in trust for use of scholarship awards. All resources of the fund, including investment earnings, may be used for scholarship awards.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

1. Summary of Significant Accounting Policies (Continued)

(c) Fund Accounting

The Schools use funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds:

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

Special Revenue Funds account for revenue derived from specific sources that are restricted by legal and regulatory provisions to finance specific activities. The Special Revenue Funds are the General Purpose School Fund, the School Federal Projects Fund, the Other Education Special Revenue Fund, the Extended School Program Fund, the Central Cafeteria Fund, and the Internal School Fund.

Proprietary Funds are used to account for activities that are similar to activities that may be performed by a commercial enterprise.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions or ancillary activities.

Fiduciary Funds account for assets held by the Schools in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement.

(d) Measurement Focus

1. **Government-Wide Financial Statements:**

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of the related cash flows. All assets and liabilities associated with the operation of the Schools are included on the statement of net position.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

1. Summary of Significant Accounting Policies (Continued)

(d) Measurement Focus (Continued)

2. **Fund Financial Statements:**

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between government-wide statements and the statements for governmental funds.

(e) Component Unit

The Oak Ridge Public Schools Education Foundation, Inc. follows the Schools' proprietary fund type measurement focus and basis of accounting, the accrual basis of accounting.

(f) Fund Balance

Governmental funds, in the fund financial statements, report reservations of fund balances for amounts that are not available for appropriation and/or legally restricted by outside third-parties for specific purposes. In accordance with GASB 54, the governmental funds report fund balances in classifications that comprise a hierarchy based primarily on the extent to which the Schools are bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories of fund balance are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Fund balances reported as non-spendable represent amounts for inventory, prepaid expenditures, encumbrances, advances to other funds and noncurrent notes receivables.
- Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation (such as through state statutes).
- Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action, either ordinance or resolution, of the Board of Education (the "Board") level of decision-making authority, are reported as committed fund balance. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Amounts classified as committed are not subject to legal enforceability like restricted resources; however, they cannot be used for any other purposes unless the Board removes or changes the commitment by taking the same action it employed to impose the commitment.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

1. Summary of Significant Accounting Policies (Continued)

(f) Fund Balance (Continued)

- Assigned – This classification consists of all fund balances that are not in the General Purpose School Fund or classified as nonspendable, restricted or committed. In addition, General Purpose School Fund balances that the School intends to use for specific purposes as approved by the Board or management are also classified as assigned. The Board has a fund balance policy that allows assigned amounts to be re-assigned by the Board, or management.
- Unassigned – This classification consists of all fund balances in the General Purpose School Fund that are not reported as nonspendable, restricted, committed or assigned.

The Schools' policy is to expend any available restricted, committed or assigned resources, in that order, prior to expending unassigned resources.

(g) Minimum Fund Balance

State statutes require the General Purpose School Fund to maintain a minimum unrestricted fund balance of 3% of current year's expenditures. For the current fiscal year ended June 30, 2023, the Schools met the minimum fund balance as required by state law.

(h) Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

1. **Revenues - Exchange and Nonexchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Schools, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the Schools receive value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Schools must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Schools on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: charges for services, interest income, grants and intergovernmental revenue.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

1. Summary of Significant Accounting Policies (Continued)

(h) Basis of Accounting (Continued)

2. **Expenses/Expenditures:**

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of costs, such as depreciation and amortization, are not recognized in governmental funds.

(i) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbered appropriations for funds do not lapse at the end of the fiscal year. Encumbrances outstanding at year-end are reported as nonspendable fund balances since they do not constitute expenditures or liabilities. There were no outstanding encumbrances at June 30, 2023.

(j) Budgets and Basis of Budgeting

The Oak Ridge Schools' budget process is initiated each year by the various programs, principals and staff of each school as well as the preparation of the budgets by each special department within the two major governmental funds of the school system. These budgets include staff requirements, materials and supply needs, capital and replacement equipment needs, and special requests associated with the operation of the school system. School unit budgets are submitted to the Executive Director of School Leadership for review and compilation. Other departments submit their budgets directly to the Finance Director for review and compilation. On or about February 1, all budgets are submitted to the Superintendent of Schools on the required forms and in a predetermined format. The budget review process by the Superintendent, Executive Directors, Finance Director, and department directors is completed during the month of February.

Revenue projections in all areas are made during the month of April by the Finance Director. Community involvement by a citizens' committee is also provided for during this period. On or about May 1, a comprehensive budget proposal is prepared and submitted to the Board of Education as the Superintendent's proposed budget for the subsequent fiscal year. During May, the Board of Education conducts numerous special Board meetings for budget review sessions as well as formal public hearings. During this same period, the Board hears formal recommendations from the Oak Ridge Education Association and the principal's group. Following these deliberations by the Board of Education and adjustments as required by the Board's action, the budget is approved by the Board for submission to City Council in late May. Beginning in late May, the City of Oak Ridge conducts formal budget reviews and public hearings, with a first and second reading of the appropriation ordinance. On or before June 30, the appropriation ordinance is approved by City Council establishing the property tax rate for the coming fiscal year and the level of appropriation for the Oak Ridge Schools.

Once the budget has been approved, the Board of Education may modify the budget between departments or major category level; however, any increase in total appropriations must be approved by the Board of Education and City Council. Management can modify the budget amounts within a department.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

1. Summary of Significant Accounting Policies (Continued)

(j) Budgets and Basis of Budgeting (Continued)

Formal budgetary integration is employed as a management control device for the General Purpose School Fund, School Federal Projects Fund, Other Education Special Revenue Fund, and Extended School Program Fund; however, the School Federal Projects budget is amended at the time the grant or program has been approved by the grantor. The budgets are legally adopted on a basis consistent with GAAP, except encumbrances are treated as budgeted expenditures in the year the commitment to purchase is incurred. The adjustments necessary to convert the basis of budgeting to GAAP represent the net change in encumbrances outstanding at the beginning and end of the fiscal year.

Budgeted amounts reflected in the accompanying budget and actual comparison are as originally adopted or as amended by the Board of Education and City Council. Budgetary appropriations which are not expended lapse at year-end.

(k) Cash and Cash Equivalents

For purposes of these financial statements, the Schools consider all highly liquid investments (including restricted assets) having original maturity dates of three months or less when purchased to be cash equivalents.

(l) Investments

Investments are stated at fair value and based upon quoted market price.

(m) Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

(n) Pledges Receivable

Pledges receivable of the component unit (the Foundation), are recognized as contribution revenue in the period that is, in substance, unconditional. The Foundation uses the allowance method to determine an uncollectible amount based upon prior years' experience and management's estimates.

Unconditional pledges that are expected to be collected within one year are recorded at net realizable value. Unconditional receivables that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledges are received. Amortization of the discounts is included in contribution revenue.

(o) Inventory

Inventories are presented at the lower of cost (weighted average method) or market.

(p) Commodities

The Oak Ridge Schools receive commodities for school cafeterias from the U.S. Department of Agriculture. The value of the commodities received is reported as revenue, and the value of such commodities used is reported as cost of food in the accompanying financial statements.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

1. Summary of Significant Accounting Policies (Continued)

(q) Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation.

(r) Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost or estimated historical cost and updated for additions and retirements during the year. Donated fixed assets are recorded at their estimated fair market values as of the date received. The Schools maintain a capitalization threshold of five thousand dollars. The Schools do not possess any infrastructure. Net interest costs during construction periods are capitalized for assets acquired by the issuance of long-term debt. Major additions and improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged to operations.

All reported capital assets except for land and land improvements are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	20 - 50 years
Machinery and equipment	3 - 20 years
Computer hardware and software	5 - 10 years
Food service equipment and fixtures	15 years
Buses	15 years
Vehicles	5 - 8 years
Furniture and fixtures	20 years
Athletic facilities	10 - 20 years

(s) Compensated Absences

It is the policy of the Schools to permit employees to accumulate, in varying amounts, earned but unused vacation and sick pay benefits. There is no liability recorded for unpaid accumulated sick leave since the Schools do not have a policy to pay any such amounts upon separation from employment. However, upon retirement, the accumulated sick leave is credited to time of employment for calculating years of service under TCRS benefits.

In the departmental-wide financial statements, unpaid compensated absences are reported as Other Long-Term Liabilities. In the fund financial statements, compensated absences are expensed as they are paid. The compensated absences liability is not reported in their respective fund financial statements because it is not expected to be liquidated with expendable available financial resources.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

1. Summary of Significant Accounting Policies (Continued)

(t) 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(u) Pension Plans

Oak Ridge City Schools Teacher Hybrid Retirement Plan of TCRS. For the purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan in the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan. Investments are reported at fair value.

Oak Ridge City Schools Teacher Legacy Pension Plan of TCRS. For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System (TCRS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Legacy Pension Plan. Investments are reported at fair value.

Oak Ridge City Schools Non-Teacher Hybrid With Cost Controls. For purposes of measuring the net pension asset/liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Oak Ridge Board of Education Hybrid With Cost Controls' participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Oak Ridge Board of Education Hybrid With Cost Controls' fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of the TCRS. Investments are reported at fair value.

Oak Ridge City Schools Non-Teacher Legacy Plan. For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Oak Ridge Schools' participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of the TCRS. Investments are reported at fair value.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

1. Summary of Significant Accounting Policies (Continued)

(v) Postemployment Benefits

The Schools follows the provisions of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans."

(w) Termination Benefits

The Schools provide voluntary termination benefits for professional employees who agree to retire before age 65. Payments are recorded as an expenditure in the General Purpose School Fund. The estimated liability and related expense are reported in the departmental-wide financial statements.

(x) Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Short-term amounts owed between funds are classified as "Due to/from other funds." Interfund loans are classified as "Interfund notes receivable/payable."

(y) Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year ended June 30, 2023.

(z) Deferred Outflows/Inflows of Resources

In accordance with GASB Statement No. 63 and GASB Statement No. 65, the statement of net position will sometimes report a separate section for deferred outflows of resources, in addition to assets. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

1. Summary of Significant Accounting Policies (Continued)

(z) Deferred Outflows/Inflows of Resources (Continued)

Deferred outflows/inflows of resources consist of the following at June 30, 2022:

	Governmental Activities
<u>Deferred Outflows of Resources:</u>	
Contributions subsequent to the measurement date – pension	\$ 2,849,451
Contributions subsequent to the measurement date – OPEB	224,821
Investment earnings - pension	236,480
Changes in proportionate and differences between contributions and proportionate share of contributions – pension	72,212
Changes in proportionate and differences between contributions and proportionate share of contributions – OPEB	104,284
Change in assumptions – pension	6,791,935
Change in assumptions – OPEB	584,080
Differences between expected and actual experience – pension	1,956,328
Differences between expected and actual experience – OPEB	1,059,887
	<u>\$ 13,879,478</u>
<u>Deferred Inflows of Resources:</u>	
Advance payments for School Food Service	\$ 43,337
Debt refunding	147,737
Differences between expected and actual experience – pension	1,735,001
Differences between expected and actual experience – OPEB	899,798
Changes in proportionate and differences between contributions and proportionate share of contributions – pension	156,795
Changes in proportionate and differences between contributions and proportionate share of contributions – OPEB	536,279
Changes in assumptions – pension	869,773
Other	19,939
	<u>\$ 4,408,659</u>

(aa) Recently Issued and Adopted Accounting Pronouncements

GASB has issued the following recent pronouncements that are effective in the current fiscal year:

- Statement No. 96, *Subscription-Based Information Technology Arrangement*
- Statement No. 99, *Omnibus 2022*

Adoption of these pronouncements have had no effect on the Schools' financial statements.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

1. Summary of Significant Accounting Policies (Continued)

(ab) Long-Term Debt

The departmental-wide financial statements report long-term debt associated with the capital assets that have been reported. Various debt issues were executed by the City of Oak Ridge, and the City services these debt issues through its Debt Service Fund, not the Board of Education special revenue funds. To reflect this activity in the Schools' separately-issued statements, entries are made for the principal and interest payments as transfers between the Debt Service Fund of the City and the General Purpose School Fund of the Schools.

In the departmental-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount.

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

General Obligation Bonds

The Schools through the City of Oak Ridge, Tennessee issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the City of Oak Ridge, Tennessee. General obligation bonds outstanding were issued for original terms of up to 25 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2023 will be retired from the debt service funds.

Direct Borrowing and Direct Placements

The Schools through the City of Oak Ridge, Tennessee issues other loans to provide funds for the acquisition and construction of major capital facilities. Capital outlay notes are also issued to fund the capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the City of Oak Ridge, Tennessee. Capital outlay notes and other loans outstanding were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes, and other loans included in long-term debt as of June 30, 2023, will be retired from the debt service funds.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

1. Summary of Significant Accounting Policies (Continued)

(ac) Fair Value of Financial Instruments

We use a framework for measuring fair value and disclosing fair values. We define fair value at the price which would be received to sell an asset in an orderly transaction between market participants at the measurement date. We use this framework for all assets and liabilities measured and reported on a fair value basis and enable the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Each asset and liability carried at fair value is classified into one of the following categories:

- Level 1 – Quoted market prices in active markets for identical assets or liabilities
- Level 2 – Observable market based inputs or unobservable inputs corroborated by market data
- Level 3 – Unobservable inputs not corroborated by market data

The fair value of current assets and current liabilities approximate to the carrying value due to the short maturity of these instruments. The fair value of unconditional promises to give is estimated by discounting the future cash flows using the current rates offered for deposits of similar remaining maturities.

The fair values of long-term debt and other long-term liabilities approximate the carrying amounts and are estimated based on current rates offered to us.

(ad) Comparative Data

Comparative totals for the prior year have been presented in the accompanying combined financial statements in order to provide an understanding of changes in the Schools' financial position and operations. However, presentation of prior year totals by fund type has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total columns on the combined financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Certain comparative data have been reclassified to present such amounts in a manner consistent with the current year's presentation.

2. Deposits and Investments

The Schools follow GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, that requires disclosures about custodial credit risk, interest rate risk, credit risk and concentration of credit risk.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

2. Deposits and Investments (Continued)

At June 30, 2023, the Schools had the following deposits and investments:

Description	Maturity Date	Fair Value
Deposits:		
Bank Deposits and Money Market Accounts	N/A	\$ 18,828,838

A summary of the deposits and investments by fund at June 30, 2023 is as follows:

Bank Deposits:	
Cash and Cash Equivalents –	
General Purpose School Fund	\$ 15,270,214
Central Cafeteria Fund	2,146,510
Internal School Fund	1,308,571
Scholarship Fund	103,543
	<u>103,543</u>
Total Cash and Cash Equivalents	\$ 18,828,838

A reconciliation of cash and cash equivalents as shown on the statement of net position and the balance sheet – governmental funds at June 30, 2023 is as follows:

Total Bank Deposits	\$ 18,828,838
Less: Fiduciary Fund – Scholarship Fund	<u>(103,543)</u>
Cash and Cash Equivalents – Statement of Net Position and Balance Sheet	<u>\$ 18,725,295</u>

Deposits

State statutes authorize the Schools to deposit funds in banks, credit unions and the state and local government investment pool ("SLGIP") and repurchase agreements.

Deposit Policies

The Schools' deposit policy is governed by the laws of the State of Tennessee. Deposits in financial institutions are required by state statutes to be secured and collateralized by such institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions less the amount protected by federal depository insurance.

The Schools' policy authorizes the investment of excess operating funds in various bank accounts, savings accounts or certificates of deposits with a local bank or credit union located within the city limits. Banks or credit unions shall be fully insured by the Federal Depository Insurance Corporation ("FDIC") or the National Credit Union Administration ("NCUA"). In addition, local banks shall participate in the bank collateral pool administered by the Treasurer of the State of Tennessee.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

2. Deposits and Investments (Continued)

Deposits – Custodial Credit Risk

At June 30, 2023, the carrying amount of the Schools' deposits (cash and cash equivalents) were \$18,828,838 and were held in financial institutions that were fully insured or participate in the bank collateral pool administered by the Treasurer of the State of Tennessee.

Banks may use one of three different security pledges (90, 100 or 105%) depending on the specific bank holding the deposit. Participating banks determine the aggregate balance of their public fund accounts for the Schools. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the State Treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Since the bank collateral pool covered all the Schools' deposits at June 30, 2023, they are considered to be insured, fully collateralized and classified as Category 1, under GASB Statement No. 40, for purposes of custodial credit risk disclosure.

Investment Policies – Excluding TCRS Stabilization Trust

State statutes authorize the Schools to invest in obligations of the federal government, federal agency securities, state government, state local government investment pool ("SLGIP"), municipal bonds issued in Tennessee, certificates of deposit, and other time deposits and repurchase agreements.

Custodial Credit Risk: The Schools' investment policy requires that investment securities be registered in the name of Oak Ridge Schools. All safekeeping receipts for investment instruments are held in accounts in the Schools' name and all securities are registered in the Schools' name.

Credit Risk: The Schools' investment policy limits investments in federal agency securities and municipal bonds, to the highest ratings by two of the nationally recognized ratings organizations, Standard and Poor's, Moody's Investor Services, FITCH or A.M. BEST.

Interest Rate Risk: Investments are made based upon prevailing market conditions at the time of the transaction with the intent to hold the instrument until maturity. If the yield of the portfolio can be improved upon by the sale of an investment, prior to its maturity, with the reinvestment of the proceeds, then this provision is also allowed.

In accordance with its investment policy, the Schools manage its interest rate risk by limiting the weighted-average maturity of its investment portfolio in the governmental funds and proprietary fund to one year or less. No security, at the time of purchase shall have a maturity exceeding one year. The Schools manage its interest rate risk by limiting the weighted-average maturity of its investment portfolio in the scholarship fund to ten years or less. No security, at the time of purchase in the scholarship fund, shall have a maturity exceeding ten years.

Concentration of Credit Risk: The Schools may choose to maintain between 0% to 100%, or any portion thereon, of its investment portfolio in U.S. Treasury Bills, Notes and Bonds, federal agencies, SLGIP, certificates of deposit or repurchase agreements in accordance with state statutes. As of June 30, 2023, the Schools did not maintain any investments; deposits were held in bank or money market accounts.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

2. Deposits and Investments (Continued)

Investment Income – Scholarship Fund

Investment income in the Scholarship Fund for the year ended June 30, 2023 consisted of the following:

Interest	<u>\$ 3,459</u>
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The Schools' investment policy does not require diversification among authorized investment broker-dealers. However, the policy requires the use of an investment broker-dealer who is registered with the Securities Investor Protection Corporation ("SIPC") and who maintains an office within the city limits.

Component Unit – Foundation

At December 31, 2022 (latest information available), the Foundation had the following deposits and investments:

Bank Deposits:	
Bank Deposits and Certificates of Deposit	<u>\$ 227,895</u>
Investments, at Fair Value:	
Money Market Accounts	167,738
Mutual Funds	<u>4,299,737</u>
Total Investments, at Fair Value	<u>4,467,475</u>
Total	<u>\$ 4,695,370</u>

Short-term investments held in money market accounts are reported as investments instead of cash equivalents because the Foundation holds those funds for restricted purposes.

A reconciliation of investments as shown on the statement of net position at December 31, 2022 (latest information available) is as follows:

Investments, at Fair Value – Current Assets	\$ 3,650,487
Investments, at Fair Value – Other Assets	<u>816,988</u>
	<u>\$ 4,467,475</u>
Interest and Dividends, net of \$27,155 fees	\$ 86,770
Realized Gains (Losses) on Investments	(531,530)
Unrealized Gains (Losses) on Investments	<u>(434,691)</u>
	<u>\$ (879,451)</u>

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

2. Deposits and Investments (Continued)

TCRS Stabilization Reserve Trust

Legal Provisions. Oak Ridge Schools is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The School has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the School.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Oak Ridge Schools may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio.

Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2023, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an interactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments, where fair value is measured using the Net Asset Value (NAV) per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

2. Deposits and Investments (Continued)

TCRS Stabilization Reserve Trust (Continued)

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan's custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

US Treasury Bills, Bonds, Notes and Futures classified as Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of member of the Appraisal Institute (MAI), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

Teacher Hybrid Plan

At June 30, 2023, Oak Ridge Schools had the following investments held by the trust on its behalf related to its TCRS Teacher Hybrid Plan:

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

2. Deposits and Investments (Continued)

TCRS Stabilization Reserve Trust (Continued)

Teacher Hybrid Plan (Continued)

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 133,625
Developed Market International Equity	N/A	N/A	60,347
Emerging Market International Equity	N/A	N/A	17,242
U.S. Fixed Income	N/A	N/A	86,210
Real Estate	N/A	N/A	43,105
Short-term Securities	N/A	N/A	4,311
Investments at Amortized Cost Using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	86,210
Total			<u>\$ 431,050</u>

Investment by Fair Value Level	Fair Value 6/30/2023	Fair Value Measurements Using			Amortized Cost
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 133,625	\$ 133,625	\$ -	\$ -	\$ -
Developed Market International Equity	60,347	60,347	-	-	-
Emerging Market International Equity	17,242	17,242	-	-	-
U.S. Fixed Income	86,210	-	86,210	-	-
Real Estate	43,105	-	-	43,105	-
Short-term Securities	4,311	-	4,311	-	-
Private Equity and Strategic Lending	86,210	-	-	-	86,210
Total	<u>\$ 431,050</u>	<u>\$ 211,214</u>	<u>\$ 90,521</u>	<u>\$ 43,105</u>	<u>\$ 86,210</u>

Non-Teacher Hybrid Plan

At June 30, 2023, Oak Ridge Schools had the following Investments held by the trust on its behalf related to its TCRS Non-Teacher Hybrid Plan:

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 104,671
Developed Market International Equity	N/A	N/A	47,271
Emerging Market International Equity	N/A	N/A	13,506
U.S. Fixed Income	N/A	N/A	67,530
Real Estate	N/A	N/A	33,765
Short-term Securities	N/A	N/A	3,376
Investments at Amortized Cost Using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	67,530
Total			<u>\$ 337,649</u>

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

2. Deposits and Investments (Continued)

TCRS Stabilization Reserve Trust (Continued)

Non-Teacher Hybrid Plan (Continued)

Investment by Fair Value Level	Fair Value 6/30/2023	Fair Value Measurements Using			Amortized Cost
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
U.S. Equity	\$ 104,671	\$ 104,671	\$ -	\$ -	\$ -
Developed Market					
International Equity	47,271	47,271	-	-	-
Emerging Market					
International Equity	13,506	13,506	-	-	-
U.S. Fixed Income	67,530	-	67,530	-	-
Real Estate	33,765	-	-	33,765	-
Short-term Securities	3,376	-	3,376	-	-
Private Equity and Strategic Lending	67,530	-	-	-	67,530
Total	\$ 337,649	\$ 165,448	\$ 70,906	\$ 33,765	\$ 67,530

Risk and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oak Ridge Schools does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Oak Ridge Schools does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the trust's investment in a single issuer. Oak Ridge Schools places no limit on the amount the trust may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Oak Ridge Schools to pay retirement benefits of the School's employees.

For further information concerning the School's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://publicreports.treasury.tn.gov/Home/General?type=General>.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

3. Unconditional Promises to Give

The Foundation had the following pledges receivable at December 31, 2022 (latest information available):

Total Promises to Give	\$ 31,500
Less: Discounts to Net Present Value	(2,426)
Less: Allowance for Uncollectible Promises to Give	(945)
	<u>\$ 28,129</u>
Due Within One Year	\$ 14,734
Due Within One to Five Years	<u>13,395</u>
	<u>\$ 28,129</u>

4. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

<u>Governmental Activities</u>	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Capital assets, not being depreciated:				
Land and land improvements	\$ 156,355	\$ -	\$ -	\$ 156,355
Construction in progress	6,685,183	494,462	6,685,183	494,462
Total capital assets, not being depreciated	<u>6,841,538</u>	<u>494,462</u>	<u>6,685,183</u>	<u>650,817</u>
Capital assets being depreciated:				
Buildings and improvements	126,155,738	8,796,490	-	134,952,228
Vehicles	1,198,437	130,731	59,617	1,269,551
Buses	485,154	-	-	485,154
Machinery and equipment	13,317,219	499,263	76,789	13,739,693
Furniture and fixtures	1,579,909	47,106	-	1,627,015
Computer software and telecom	2,009,805	198,144	-	2,207,949
Total capital assets, being depreciated	<u>144,746,262</u>	<u>9,671,734</u>	<u>136,406</u>	<u>154,281,590</u>
Less accumulated depreciation:				
Buildings and improvements	60,172,129	3,126,142	-	63,298,271
Vehicles	1,011,815	40,635	59,617	992,833
Buses	477,063	8,091	-	485,154
Machinery and equipment	10,755,946	775,286	55,273	11,475,959
Furniture and fixtures	1,182,888	70,594	-	1,253,482
Computer software and telecom	1,989,797	22,297	-	2,012,094
Total accumulated depreciation	<u>75,589,638</u>	<u>4,043,045</u>	<u>114,890</u>	<u>79,517,793</u>
Capital assets, being depreciated, net	<u>69,156,624</u>	<u>5,628,689</u>	<u>21,516</u>	<u>74,763,797</u>
Governmental activities capital assets, net	<u>\$ 75,998,162</u>	<u>\$ 6,123,151</u>	<u>\$ 6,706,699</u>	<u>\$ 75,414,614</u>

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

4. Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

Instructional	\$ 3,845,629
Support services	115,234
Non-instructional	<u>82,182</u>
Total depreciation expense	<u><u>\$ 4,043,045</u></u>

5. Long-Term Debt

Overview

All debt of the Schools is issued through the City of Oak Ridge, Tennessee. The debt issues related to the Schools contain provisions that in the event of a default, outstanding amounts are to become immediately due if the City is unable to make a payment.

Long-term debt at June 30, 2023 consisted of the following:

General Obligation Bonds	\$ 60,495,072
Local Government Public Improvement Bonds	5,452,288
Capital Outlay Notes	<u>2,190,910</u>
	68,138,270
Add: Unamortized Premiums	<u>5,590,168</u>
	73,728,438
Less: Current Portion	<u>(4,861,100)</u>
Total Long-Term Debt	<u><u>\$ 68,867,338</u></u>

Interest expense recorded in the departmental-wide statement of activities consisted of the following:

Interest Paid	\$ 2,286,195
Amortization of Bond Premiums	(447,471)
Accrued Interest Payable – Net Change	(14,452)
Other debt service related expenses	6,086
Amortization of Debt Refunding	<u>(82,942)</u>
Total	<u><u>\$ 1,747,416</u></u>

Activity

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

	Balance July 1, 2022	Additions	Retirements/ Reductions	Balance June 30, 2023	Due Within One Year
General Obligation Bonds	\$ 64,094,571	\$ -	\$ (3,599,499)	\$ 60,495,072	\$ 3,837,904
Direct Borrowings and Direct Placements:					
Local Government Public Improvement Bonds	7,052,288	-	(1,600,000)	5,452,288	775,000
Capital Outlay Notes	<u>2,436,634</u>	<u>-</u>	<u>(245,724)</u>	<u>2,190,910</u>	<u>248,196</u>
Total	73,583,493	-	(5,445,223)	68,138,270	4,861,100
Unamortized Premiums	<u>6,037,639</u>	<u>-</u>	<u>(447,471)</u>	<u>5,590,168</u>	<u>-</u>
Total	<u><u>\$ 79,621,132</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (5,892,694)</u></u>	<u><u>\$ 73,728,438</u></u>	<u><u>\$ 4,861,100</u></u>

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

5. Long-Term Debt (Continued)

General Obligation Bonds

General Obligation Bonds ("GO") consisted of the following at June 30, 2023:

Series 2017 GO Refunding Bond, issuance of \$3,905,000, maturing in 2033 with interest rates of 2.25% to 5.00%	\$ 2,724,072
Series 2018 GO Bond, issuance of \$8,700,000, maturing in 2043 with interest rates of 3.25% to 5.00%	8,050,000
Series 2019 GO Refunding Bond, issuance of \$15,713,000, maturing in 2038 with interest rates of 2.00% to 5.00%	9,866,000
Series 2020A GO Refunding Bond, issuance of \$9,000,000, maturing in 2035 with interest rates of 1.00% to 5.00%	9,000,000
Series 2020B GO Bond, issuance of \$3,135,000, maturing in 2027 with interest rates of 0.50% to 1.00%	2,935,000
Series 2021A GO Refunding Bond, issuance of \$25,735,000, maturing in 2035 with interest rates of 2.00% to 5.00%	22,845,000
Series 2021C GO Bond, issuance of \$5,520,000, maturing in 2041 with interest rates of 1.35% to 4.00%	5,075,000
	<u>\$ 60,495,072</u>

In December 2017, the Schools, through the City of Oak Ridge, issued \$3,905,000 General Obligation Refunding Bonds, Series 2017, to refund outstanding general obligation debt at the City and borrow additional funds for capital projects at the Schools.

In December 2018, the Schools, through the City of Oak Ridge, issued \$8,700,000 General Obligation Bonds, Series 2018, to fund capital projects at the Schools.

In September 2019, the Schools, through the City of Oak Ridge, issued \$15,713,000 General Obligation Refunding Bonds, Series 2019, to fund capital projects at the Schools and to refund outstanding general obligation debt.

In December 2020, the Schools, through the City of Oak Ridge, issued \$9,000,000 in General Obligation Refunding Bonds, Series 2020A, to refund outstanding general obligation debt.

In December 2020, the Schools, through the City of Oak Ridge, issued \$3,135,000 in General Obligation Bonds, Series 2020B, to fund the termination of debt swap agreement.

In June 2021, the Schools, through the City of Oak Ridge, issued \$25,735,000 in General Obligation Refunding Bonds, Series 2021A, to refund outstanding general obligation debt.

In September 2021, the Schools, through the City of Oak Ridge, issued \$5,520,000 in General Obligation Bonds, Series 2021C, to fund capital projects at the Schools.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

5. Long-Term Debt (Continued)

Notes Payable

Notes payable consisted of the following at June 30, 2023:

2008 note payable of \$7,752,287 loan agreement TMBF, maturing in 2027 with a variable interest rate of 4.34% (as of June 30, 2023)	<u>\$ 5,452,288</u>
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During the year ended June 30, 2008, the Schools, through the City of Oak Ridge, entered into a \$4,945,987 loan agreement with the Tennessee Municipal Bond Fund ("TMBF") program to fund a portion of the Oak Ridge High School ("ORHS") project. Scheduled principal payments continue through 2027. The interest rate is variable and was approximately 1.4% for the year ended June 30, 2023. During the year ended June 30, 2009, the Schools borrowed an additional \$2,806,300 for the ORHS project.

Capitalized Outlay Note

Energy Efficient Schools Capital Outlay Note, maturing in 2032 with an interest rate of 1.00% (as of June 30, 2023)

\$ 2,190,910

In October 2017, the Schools, through the City of Oak Ridge, issued \$3,000,000 Energy Efficient Schools Capital Outlay Note to make energy efficient improvements to the various school buildings. Interest rate is 1%.

Debt Service Requirements – All Long-Term Debt

The annual debt service requirements of all long-term debt as of June 30, 2023 is as follows:

	Bonds		Direct Borrowings and Direct Placements		Totals
	Principal	Interest	Principal	Interest	
2024	\$ 3,837,903	\$ 1,880,446	\$ 1,023,196	\$ 261,960	\$ 7,003,505
2025	3,201,308	1,695,051	1,805,692	221,907	6,923,958
2026	2,979,713	1,541,486	2,158,212	148,499	6,827,910
2027	2,838,637	1,445,177	1,473,044	63,219	5,820,077
2028	4,514,522	1,376,105	258,324	10,644	6,159,595
2029-2033	26,221,989	3,883,285	924,730	16,679	31,046,683
2034-2038	13,301,000	1,268,204	-	-	14,569,204
2039-2043	3,600,000	341,500	-	-	3,941,500
	<u>\$ 60,495,072</u>	<u>\$ 13,431,254</u>	<u>\$ 7,643,198</u>	<u>\$ 722,908</u>	<u>\$ 82,292,432</u>

6. Other Long-Term Liabilities

Changes in other long-term liabilities for the year ended June 30, 2023 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
OPEB Obligations	\$ 6,537,967	\$ -	\$ (314,961)	\$ 6,223,006	\$ -
Compensated Absences	394,737	49,508	-	444,245	444,245
Termination Benefits	587,435	110,734	(155,364)	542,805	108,563
Total	<u>\$ 7,520,139</u>	<u>\$ 160,242</u>	<u>\$ (470,325)</u>	<u>\$ 7,210,056</u>	<u>\$ 552,808</u>

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

6. Other Long-Term Liabilities (Continued)

The Schools use the General Purpose School Fund to liquidate the liability for compensated absences and termination benefits payable for governmental activities. The State of Tennessee makes on-behalf payments for the other postemployment benefit (OPEB) obligation as described in Note 16. Compensated absences are considered a current liability due to prior years' experience of paying these amounts within one year. Other postemployment benefit obligations and termination benefits are described in Note 15 and Note 17, respectively.

7. Fund Balances

The amounts reported on the balance sheets of the governmental funds as non-spendable, restricted and committed as of June 30, 2023 consists of the following:

Governmental Funds	Fund Balances		
	Non-Spendable	Restricted	Committed
General Purpose School Fund	\$ 594,622	\$ 1,226,463	\$ 3,029,379
School Federal Projects	-	-	-
Other Education Special Revenue Fund	-	29,791	-
Extended School Program Fund	-	-	223,533
Central Cafeteria Fund	18,827	2,051,999	-
Internal School Funds	-	1,308,756	-
Total	<u>\$ 613,449</u>	<u>\$ 4,617,009</u>	<u>\$ 3,252,912</u>

8. Net Position

Net position represents the difference between assets, liabilities and deferred inflows of resources. Net position at June 30, 2023 is as follows:

	Governmental Activities	
	Primary Government	Component Unit – Foundation
Net Investment in Capital Assets:		
Net Capital Assets	\$ 75,414,614	\$ -
Less: Related Debt – Net of Discounts, Premiums and Unspent Debt Proceeds	(68,138,270)	-
	<u>7,276,344</u>	<u>-</u>
Restricted:		
Cafeteria	2,070,826	-
Grants and Other	29,791	905,868
Internal School Fund	1,308,756	-
Pension	11,340,384	-
SRT Investment Held by TCRS	768,699	-
Unspent Bond Proceeds	457,764	-
	<u>15,976,220</u>	<u>905,868</u>
Unrestricted (Deficit)	<u>12,654,953</u>	<u>3,820,707</u>
Total	<u>\$ 35,907,517</u>	<u>\$ 4,726,575</u>

Restricted net position for career ladder is a bonus program to incentivize school staff to attain additional education beyond their degree.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

9. Local Taxes

In accordance with various state laws, the Schools receive a pro-rata share of property taxes, local option sales taxes, mineral severance taxes and mixed drink taxes from Anderson and Roane counties. These local taxes are divided between Oak Ridge Schools and the respective county schools based upon the annual weighted-average daily attendance.

The counties assess the property values, set the tax rate, bill and collect the taxes. County property taxes are based upon assessments on January 1, levied on October 1 and becoming delinquent the following March 1. Penalties and interest on delinquent property taxes are recognized when collected.

The local option sales tax, mineral severance tax and mixed drink tax are collected by the Tennessee Department of Revenue and remitted to the counties and then remitted to the Schools.

The Schools recognized the following local tax revenues in the General Purpose School Fund during the year ended June 30, 2023:

	Amount	% of Revenues
Property Taxes	\$ 12,532,336	26.89%
Local Option Sales and Mineral Severance Taxes	9,116,166	18.59%
Mixed Drink Taxes	385	0.00%
Total	<u>\$ 21,648,887</u>	<u>45.48%</u>

10. Interfund Receivables, Payables and Transfers

Interfund Receivables and Payables

A detailed listing of interfund receivables and payables at June 30, 2023 is as follows:

Due From	Due To	Amount
<u>Governmental Activities:</u>		
School Federal Projects Fund	General Purpose School Fund	\$ 1,091,035
General Purpose School Fund	Cafeteria	38,945
General Purpose School Fund	Other Education Special Revenue	20,833
General Purpose School Fund	Extended School Program	229,963
Governmental Activities Total		<u>\$ 1,380,776</u>

In the fund financial statements, interfund receivables and payables from short-term borrowings between the funds is primarily due to federal grant activity and are classified as "due to/from other funds." The governmental activities amounts are eliminated in the departmental-wide statement of net position.

Transfers

Transfers between the individual funds and the City of Oak Ridge during the year ended June 30, 2023 were as follows:

Transfers In	Transfers Out	Amount
<u>Governmental Activities:</u>		
General Purpose School Fund	City's General Fund	\$ 23,399,689
General Purpose School Fund	Schools Federal Projects Fund	235,165
Other Education Special Revenue Fund	General Purpose School Fund	79,423
General Purpose School Fund	Extended School Program	10,000
City of Oak Ridge	General Purpose School Fund	(637,205)

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

10. Interfund Receivables, Payables and Transfers (Continued)

Transfers (Continued)

The City provides an annual operating transfer from its General Fund to the Schools' General Purpose School Fund. The net transfer of \$23,399,689 during the year ended June 30, 2023 was 27.59% of total revenues and other sources. The transfer of \$235,165 from the Schools Federal Projects Fund is for indirect costs. The transfer of \$79,423 to the Other Education Special Revenue Fund is considered the Schools' local match for the Family Resource Program grant. The transfer of \$10,000 from the Extended School Program is for indirect costs.

In order to account for certain capital outlays, debt issuance and debt service payments for school related projects made by the City during the current year, the following transfers were recorded:

Transfers In	Transfers Out	Amount	Purpose
<u>Governmental Activities:</u>			
General Purpose School Fund	City Debt Service Fund	\$ 7,731,418	Debt Service

During 2023, the Foundation made a \$0 payment to the City to fund school related debt.

11. Budget Amendments

The Schools amended the budgeted expenditures and transfers for the year ended June 30, 2023 as follows:

Governmental Fund	Original Budget	Changes in Appropriations	Final Budget
General Purpose School Fund	\$ 64,771,205	\$ 2,565,192	\$ 67,336,397
School Federal Projects Fund	10,031,877	(69,940)	9,961,937
Other Education Special Revenue Fund	229,112	5,541	234,653
Extended School Program Fund	408,430	-	408,430
Central Cafeteria Fund	2,667,557	200,000	2,867,557

The additional appropriations were approved by the Board of Education and City Council as required.

12. Risk Management

Oak Ridge Schools is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Schools' loss exposure for general liability and worker's compensation is limited by state law.

The Schools maintain general liability, auto liability, auto physical damage, errors and omissions, and worker's compensation insurance through the Tennessee Risk Management Trust ("TNRMT"), a public entity risk pool operated as a risk-sharing program by the Tennessee School Board Association ("TSBA"). This pool is sustained by member premiums and because the pool has excess aggregate and individual claim loss reinsurance coverage, management considers any related credit risk to be insignificant.

The Schools continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System

Oak Ridge City Schools Teacher Hybrid Retirement Plan of TCRS

Plan description. The Tennessee Consolidated Retirement System (TCRS) was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Teachers employed by Oak Ridge City Schools with membership in the TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees.

The Teacher Retirement Plan became effective July 1, 2014 for teachers employed by Local Education Agencies (LEA) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as service retirement benefits but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5 percent of salary. The LEAs make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept state shared taxes of the sponsoring governmental entity of the LEA if required employer contributions are not remitted. Employer contributions by Oak Ridge Schools for the year ended June 30, 2023 to the Teacher Retirement Plan were \$203,058 which is 2.87 percent of covered payroll. In addition, employer contributions of \$71,755, which is 1.13 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by the members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge City Schools Teacher Hybrid Retirement Plan of TCRS (Continued)

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pension

Pension liabilities (assets). At June 30, 2023, Oak Ridge Schools reported a liability (asset) of (\$98,402) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension asset used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. Oak Ridge Schools' proportion of the net pension liability (asset) was based on Oak Ridge Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022, Oak Ridge Schools' proportion was 0.324839 percent. The proportion measured as of June 30, 2021 was 0.299617 percent.

Pension Expense (negative pension expense). For the year ended June 30, 2023, Oak Ridge Schools recognized pension expense (negative pension expense) of \$135,601.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2023, Oak Ridge Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,381	\$ 59,785
Net difference between projected and actual earnings on pension plan investments	31,017	-
Change in assumptions	115,273	-
Changes in proportion of Net Pension Liability (Asset)	6,061	42,136
LEA's contributions subsequent to the measurement date of June 30, 2022	<u>203,058</u>	<u>n/a</u>
Total	<u><u>\$ 360,790</u></u>	<u><u>\$ 101,921</u></u>

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge City Schools Teacher Hybrid Retirement Plan of TCRS (Continued)

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pension (Continued)

Oak Ridge Schools' employer contributions of \$203,058 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Total
2024	\$ (1,207)
2025	(892)
2026	(5,988)
2027	48,036
2028	2,233
Thereafter	13,629

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Actuarial assumptions. The total pension liability as of June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.125 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge City Schools Teacher Hybrid Retirement Plan of TCRS (Continued)

Actuarial assumptions (continued)

inflation) is developed for each major asset class. These best-estimates 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 of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive 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 proportionate share net pension liability (asset) to changes in the discount rate. The following presents Oak Ridge City Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what Oak Ridge City Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge City Schools Teacher Hybrid Retirement Plan of TCRS (Continued)

Sensitivity of the proportionate share net pension liability (asset) to changes in the discount rate. (Continued)

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Oak Ridge Schools' proportionate share of the net pension liability (asset)	\$ 516,553	\$ (98,402)	\$ (547,509)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

At June 30, 2023, Oak Ridge Schools reported a payable of \$21,060 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

Oak Ridge City Schools Teacher Legacy Pension Plan of TCRS

Plan description. The Tennessee Consolidated Retirement System (TCRS) was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Teacher employed by Oak Ridge City Schools with membership in the TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees.

The Teacher Retirement Plan became effective July 1, 2014 for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs)

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge City Schools Teacher Legacy Pension Plan of TCRS (Continued)

Benefits provided. (Continued)

after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Oak Ridge Schools for the year ended June 30, 2023 to the Teacher Legacy Pension Plan were \$2,271,426 which is 8.69 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension liabilities (assets). At June 30, 2023, the Oak Ridge Schools reported a liability (asset) of (\$9,733,445) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. Oak Ridge Schools' proportion of the net pension liability was based on Oak Ridge Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022, Oak Ridge Schools' proportion was 0.793656 percent. The proportion measured as of June 30, 2021 was 0.798904 percent.

Pension expense (negative pension expense). For the year ended June 30, 2023, Oak Ridge Schools recognized a pension expense (negative pension expense) of \$45,126.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2023, Oak Ridge Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge City Schools Teacher Legacy Pension Plan of TCRS (Continued)

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred outflows of resources and deferred inflows of resources. (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,601,116	\$ 1,644,657
Changes in assumptions	6,097,534	-
Net difference between projected and actual earnings on pension plan investments	166,437	-
Changes in proportion of Net Pension Liability (Asset)	66,151	114,659
LEA's contributions subsequent to the measurement date of June 30, 2022	<u>2,271,426</u>	<u>n/a</u>
Total	<u>\$ 10,202,664</u>	<u>\$ 1,759,316</u>

Oak Ridge Schools' employer contributions of \$2,271,426, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction in net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2024	\$ 922,026
2025	1,786,882
2026	(1,674,290)
2027	5,137,304
2028	-
Thereafter	-

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge City Schools Teacher Legacy Pension Plan of TCRS (Continued)

Actuarial assumptions. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of Living Adjustment	2.125 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates 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 of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the three factors described above.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge City Schools Teacher Legacy Pension Plan of TCRS (Continued)

Discount rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive 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 proportionate share of net pension liability (asset) to changes in the discount rate. The following presents Oak Ridge Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what Oak Ridge Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Oak Ridge Schools' proportionate share of the net pension liability (asset)	\$ 19,278,600	\$ (9,733,445)	\$ (33,898,551)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

At June 30, 2023, Oak Ridge Schools reported a payable of \$122,520 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

Oak Ridge Schools Non-Teacher Hybrid With Cost Controls

General Information about the Pension Plan

Plan description. Employees of Oak Ridge Board of Education Hybrid With Cost Controls are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plan of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits provided. Tennessee Code Annotated, Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge Schools Non-Teacher Hybrid With Cost Controls (Continued)

General Information about the Pension Plan (Continued)

Benefits provided. (Continued)

Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Employees covered by benefit terms. At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	71
Active employees	<u>116</u>
 Total employees	 <u>188</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Employees contribute 5 percent of salary. Oak Ridge Board of Education Hybrid With Cost Controls makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees is reached. By law, employer contributions are required to be paid. The TCRS may intercept Oak Ridge Board of Education Hybrid With Cost Controls' state shared taxes if required employer contributions are not remitted. Employer contributions by Oak Ridge Board of Education Hybrid With Cost Controls for the year ended June 30, 2023 to the Public Employee Retirement Plan were \$125,459 based on a rate of 2.53 percent of covered payroll. In addition, employer contributions of \$62,869, which is 1.47 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge Schools Non-Teacher Hybrid With Cost Controls (Continued)

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension liabilities (assets). Oak Ridge Board of Education Hybrid With Cost Controls' net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of Living Adjustment	2.125 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates 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 of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on blending of the three factors described above.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge Schools Non-Teacher Hybrid With Cost Controls (Continued)

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the Oak Ridge Board of Education Hybrid With Cost Controls will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive 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.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 6/30/21	\$ 930,204	\$ 1,115,963	\$ (185,759)
Changes for the year:			
Service cost	263,516	-	263,516
Interest	79,946	-	79,946
Differences between expected and actual experience	(34,250)	-	(34,250)
Changes in assumptions	-	-	-
Contributions - employer	-	75,988	(75,988)
Contributions - employees	-	192,464	(192,464)
Net investment income	-	(47,274)	47,274
Benefit payments, including refunds of employee contributions	(18,668)	(18,668)	-
Administrative expense	-	(10,314)	10,314
Other changes	-	-	-
Net changes	<u>290,544</u>	<u>192,196</u>	<u>98,348</u>
Balance at 6/30/22	<u>\$ 1,220,748</u>	<u>\$ 1,308,159</u>	<u>\$ (87,411)</u>

Sensitivity of the net pension liability (asset) in changes in the discount rate. The following presents the net pension liability (asset) of Oak Ridge Board of Education Hybrid With Cost Controls calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge Schools Non-Teacher Hybrid With Cost Controls (Continued)

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Changes in Net Pension Liability (Asset) (Continued)

Sensitivity of the net pension liability (asset) in changes in the discount rate. (Continued)

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Oak Ridge Schools Hybrid with cost controls net pension liability (asset)	\$ 181,228	\$ (87,411)	\$ (297,287)

Pension expense (negative pension expense). For the year ended June 30, 2023, Oak Ridge Board of Education Hybrid With Cost Controls recognized pension expense (negative pension expense) of \$94,739.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2023, Oak Ridge Board of Education Hybrid With Cost Controls reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 87,505	\$ 30,559
Net difference between projected and actual earnings on pension plan investments	21,311	-
Change in assumptions	54,912	-
Contributions subsequent to the measurement date of June 30, 2022	<u>125,459</u>	<u>n/a</u>
Total	<u>\$ 289,187</u>	<u>\$ 30,559</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2022," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2024	\$ 17,226
2025	17,471
2026	15,008
2027	44,351
2028	16,787
Thereafter	22,326

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge Schools Non-Teacher Hybrid With Cost Controls (Continued)

Payable to the Pension Plan

At June 30, 2023, Oak Ridge Board of Education Hybrid With Cost Controls reported a payable of \$535 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

Oak Ridge Schools Non-Teacher Legacy Plan

Plan description. Employees of Oak Ridge Schools are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms. At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	247
Inactive employees entitled to but not yet receiving benefits	184
Active employees	<u>92</u>
Total Employees	<u>523</u>

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge Schools Non-Teacher Legacy Plan (Continued)

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. Oak Ridge Schools makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contributions for Oak Ridge Schools were \$249,508 based on a rate of 6.18 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Oak Ridge Schools' state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Oak Ridge Schools' net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of Living Adjustment	2.125 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge Schools Non-Teacher Legacy Plan (Continued)

Net Pension Liability (Asset) (Continued)

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates 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 of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Oak Ridge Schools will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive 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.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge Schools Non-Teacher Legacy Plan (Continued)

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 6/30/21	<u>\$ 35,189,847</u>	<u>\$ 40,945,574</u>	<u>\$ (5,755,727)</u>
Changes for the year:			
Service cost	484,522	-	484,522
Interest	2,342,952	-	2,342,952
Differences between expected and actual experience	486,206	-	486,206
Changes in Assumptions	-	-	-
Contributions - employer	-	305,181	(305,181)
Contributions - employees	-	223,090	(223,090)
Net investment income	-	(1,539,463)	1,539,463
Benefit payments, including refunds of employee contributions	(1,927,930)	(1,927,930)	-
Administrative expense	-	(9,729)	9,729
Net changes	<u>1,385,750</u>	<u>(2,948,851)</u>	<u>4,334,601</u>
Balance at 6/30/22	<u>\$ 36,575,597</u>	<u>\$ 37,996,723</u>	<u>\$ (1,421,126)</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of Oak Ridge Schools calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Oak Ridge Schools net pension liability (asset)	\$ 2,721,195	\$ (1,421,126)	\$ (4,923,930)

Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense (negative pension expense). For the year ended June 30, 2023, Oak Ridge Schools recognized pension expense (negative pension expense) of \$311,199.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

13. Public Employee Retirement System (Continued)

Oak Ridge Schools Non-Teacher Legacy Plan (Continued)

Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2023, Oak Ridge Schools 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
Differences between expected and actual experience	\$ 262,326	\$ -
Net difference between projected and actual earnings on pension plan investments	17,715	-
Changes in Assumption	524,216	-
Contributions subsequent to the measurement date of June 30, 2022	<u>249,508</u>	<u>n/a</u>
Total	<u>\$ 1,053,765</u>	<u>\$ -</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2022," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2024	\$ 550,228
2025	(224,090)
2026	(373,022)
2027	851,141
2028	-
Thereafter	-

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plan

At June 30, 2023, Oak Ridge Schools reported a payable of \$536 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

14. Defined Contribution Plan

The School contributes to the Higher Education and Teacher Hybrid Plan, a defined contribution pension plan under section 401(k) of the Internal Revenue Code, for teachers with membership in the Tennessee Consolidated Retirement System after June 30, 2014. The Higher Education and Teacher Hybrid Plan is a component of the defined benefit plan reported in Note 13. Benefit terms, including contribution requirements, for the Higher Education and Teacher Hybrid Plan are established by Tennessee Code Annotated Title 8, Chapters 34-37 and may be amended by the Tennessee General Assembly. For each employee in the pension plan the School is required to contribute 5% of annual salary to an individual employee account. Employee contributions vary based on individual selection. For the year ended June 30, 2023, the School System recognized \$604,042 in contribution expense. Employees are immediately vested on all contributions and earnings on those contributions.

The School reported no payable for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

15. Other Postemployment Benefits (OPEB)

Oak Ridge Schools Teacher Group Plan

Plan Description. Employees of Oak Ridge Schools, who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Teacher Group OPEB Plan (TGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible pre-65 retired teachers, support staff and disability participants of local education agencies, who choose coverage, participate in the TGOP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits provided. Oak Ridge Schools offers the TGOP to provide health insurance coverage to eligible pre-65 retired teachers, support staff and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the TGOP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the TGOP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The Schools pay 85% of the retirees' individual health insurance premium for five years or until the retirees reach age 65. The state, as a governmental nonemployer contributing entity, provides a direct subsidy for eligible retirees' premiums, based on years of service. Therefore, retirees with 30 or more years of services will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP. The TGOP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

15. Other Postemployment Benefits (OPEB) (Continued)

Oak Ridge Schools Teacher Group Plan (Continued)

Employees covered by benefit terms. At July 1, 2022, the following employees of Oak Ridge Schools were covered by the benefit terms of the TGOP:

Inactive employees currently receiving benefit payments	28
Inactive employees entitled to but not yet receiving benefit payments	1
Active employees	<u>434</u>
	<u>463</u>

An insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the TGOP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, Oak Ridge Schools paid \$224,821 to the TGOP for OPEB benefits as they came due.

Total OPEB Liability

Actuarial assumptions. The collective total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4.00 percent
Healthcare cost trend rates	8.37% for pre-65 in 2022, decreasing annually over a 7 year period to an ultimate rate of 4.50%. 8.99% for post-65 in 2021, decreasing annually over a 6 year period to an ultimate rate of 4.50%
Retiree's share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this Valuation a weighted average has been used with weights derived from the current distribution of members among plans offered.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2020 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 – June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The pre-retirement

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

15. Other Postemployment Benefits (OPEB) (Continued)

Oak Ridge Schools Teacher Group Plan (Continued)

Total OPEB Liability (Continued)

Actuarial assumptions. (Continued)

mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted Employee mortality table for Teacher Employees projected generationally with MP-2020 from 2010. Post-retirement tables are Headcount-weighted Teacher Below Median Healthy Annuitant and adjusted with 19% load for males and an 18% load for females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

Discount rate. The discount rate used to measure the total OPEB liability was 3.54 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-year Municipal GO AA index.

Changes in Collective Total OPEB Liability

	Total OPEB Liability
Balances at June 30, 2021	<u>\$ 9,595,708</u>
Changes for the year:	
Service cost	556,802
Interest	216,175
Changes of benefit terms	-
Differences between expected and actual experience	271,513
Change in assumptions	(931,742)
Benefit payments	<u>(290,373)</u>
Net changes	<u>(177,625)</u>
Balances at June 30, 2022	<u><u>\$ 9,418,083</u></u>
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 3,195,077
Employer's proportionate share of the collective total OPEB liability	\$ 6,223,006
Employer's proportion of the collective total OPEB liability	66.08%

Oak Ridge Schools has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TGOP. Oak Ridge Schools proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The proportion changed -2.06% from the prior measurement date. Oak Ridge Schools recognized \$312,938 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TGOP for Oak Ridge Schools retirees.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

15. Other Postemployment Benefits (OPEB) (Continued)

Oak Ridge Schools Teacher Group Plan (Continued)

Changes in Collective Total OPEB Liability (Continued)

Changes of assumptions. The discount rate was changed from 2.16% as of the beginning of the measurement period to 3.54% as of June 30, 2022. This change in assumption increased the total OPEB liability.

Sensitivity of proportionate share of the collective total OPEB liability to changes in the discount rate. The following presents the proportionate share of the collective total OPEB liability related to the TGOP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (3.54%) than the current discount rate:

	<u>1% Decrease (2.54%)</u>	<u>Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Proportionate share of collective total OPEB liability	\$ 6,664,168	\$ 6,223,006	\$ 5,803,130

Sensitivity of proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rate. The following presents the proportionate share of the collective total OPEB liability related to the TGOP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (7.37%/7.99% decreasing to 3.50%) or 1-percentage-point higher (9.37%/9.99% decreasing to 5.50%) than the current healthcare cost trend rate:

	<u>1% Decrease (7.37%/7.99% decreasing to 3.50%)</u>	<u>Healthcare Cost Trend Rates (8.37%/8.99% decreasing to 4.50%)</u>	<u>1% Increase (9.37%/9.99% decreasing to 5.50%)</u>
Proportionate share of collective total OPEB liability	\$ 5,606,680	\$ 6,223,006	\$ 6,935,704

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

OPEB expense. For the fiscal year ended June 30, 2023, Oak Ridge Schools recognized OPEB expense of \$725,277.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

15. Other Postemployment Benefits (OPEB) (Continued)

Oak Ridge Schools Teacher Group Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Deferred outflows of resources and deferred inflows of resources. For the fiscal year ended June 30, 2023, Oak Ridge Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the TGOP from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,059,887	\$ 899,798
Changes of assumptions and other inputs	584,080	869,773
Changes in proportion	104,284	536,279
Employer payments subsequent to the measurement date of June 30, 2022	<u>224,821</u>	<u>N/A</u>
Total	<u>\$ 1,973,072</u>	<u>\$ 2,305,850</u>

The amounts shown above for "Employer payments subsequent to the measurement date" will be included as a reduction to total OPEB liability in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30:	
2024	\$ (98,406)
2025	(98,406)
2026	(98,406)
2027	(88,390)
2028	(69,251)
Thereafter	(104,740)

In the table above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

15. Other Postemployment Benefits (OPEB) (Continued)

Oak Ridge Schools The Tennessee Plan

Plan Description. Employees of Oak Ridge Schools, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed The Tennessee Plan (TNP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible post-65 retired teachers and disability participants of local education agencies, who choose coverage, participate in the TNP. The TNP also includes eligible retirees of the state, certain component units of the state, and certain local government entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits provided. The State offers the TNP to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNP does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNP are established and amended by cooperation of insurance committees created by TCAs 8-27-201, and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The Schools pay 85% of the retirees' individual health insurance premium for five years or until the retirees reach age 65. The state, as a governmental nonemployer contributing entity contributes to the premiums of eligible retirees of local education agencies based on years of service. Therefore, retirees with 30 years of services will receive \$50 per month; 20 but less than 30 years, \$37.50 per month; and 15 but less than 20 years, \$25. The TNP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms. At June 30, 2022, the following employees of Oak Ridge Schools were covered by the benefit terms of the TNP:

Inactive employees currently receiving benefit payments	171
Inactive employees entitled to but not yet receiving benefit payments	47
Active employees	<u>351</u>
	<u>569</u>

In accordance with TCA 8-27-209, the state insurance committee established by TCAs 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, Oak Ridge Schools paid \$0 to the TNP for OPEB benefits as they came due.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

15. Other Postemployment Benefits (OPEB) (Continued)

Oak Ridge Schools The Tennessee Plan (Continued)

Total OPEB Liability

Actuarial assumptions. The collective total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4.00 percent
Healthcare cost trend rates	The premium subsidies provided to retirees in the Tennessee Plan are assumed to remain unchanged for the entire projection, therefore trend rates are not applicable.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022 valuations were the same as those employed in the July 1, 2020 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 – June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the headcount-weighted below median teachers PUB-2010 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2020. Post-retirement tables are adjusted with a 19% load for males and a 18% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load with mortality improvement projected to all future years using Scale MP-2020.

Discount rate. The discount rate used to measure the total OPEB liability was 3.54 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-year Municipal GO AA index.

Changes in Collective Total OPEB Liability

	Total OPEB Liability
Balances at June 30, 2021	<u>\$ 1,701,661</u>
Changes for the year:	
Service cost	36,465
Interest	36,691
Changes of benefit terms	-
Differences between expected and actual experience	51,022
Change in assumptions	(281,256)
Benefit payments	<u>(79,388)</u>
Net changes	<u>(236,466)</u>
Balances at June 30, 2022	<u>\$ 1,465,195</u>
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 1,465,195
Employer's proportionate share of the collective total OPEB liability	\$ -
Employer's proportion of the collective total OPEB liability	0.00%

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

15. Other Postemployment Benefits (OPEB) (Continued)

Oak Ridge Schools The Tennessee Plan (Continued)

Changes in Collective Total OPEB Liability (Continued)

Oak Ridge Schools has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TNP. Oak Ridge Schools proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit paid through the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The proportion changed 0.00% from the prior measurement date. Oak Ridge Schools recognized \$30,576 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TNP for Oak Ridge Schools retirees.

Changes of assumptions. The discount rate was changed from 2.16% as of the beginning of the measurement period to 3.54% as of June 20, 2021. This change in assumption increased the total OPEB liability.

16. On-Behalf Payments

The State of Tennessee made the following on-behalf payments during the year ended June 30, 2023:

Teacher Group Insurance Plan – The State of Tennessee makes a contribution (on-behalf payment) for retired teachers who participate in the State-administered Teacher Group Insurance Plan through TCRS as described in Note 16. The on-behalf payment for 2023 was \$120,943 and has been recorded as a revenue and expenditure in the General Purpose School Fund.

The Tennessee Plan – The State of Tennessee makes a contribution (on-behalf payment) for retired teachers who participate in The Tennessee Plan for the Local Employer as described in Note 16. The on-behalf payment for 2023 was \$81,370 and has been recorded as a revenue and expenditure in the General Purpose School Fund.

17. Termination Benefits

The Schools provide voluntary termination benefits for professional employees who agree to retire before age 65. For employees who retire at age 60 or after 30 years of creditable service in TCRS with at least 10 years of service with the Schools, the Schools pay 85% of the retirees' individual health insurance premiums for five years or until the retirees reach age 65. The Schools fund their contributions on a pay-as-you-go basis. During 2023, the Schools paid approximately \$85,605 to 23 retirees, which has been recorded as an expenditure in the General Purpose School Fund.

The estimated liability and expense of the termination benefits reported in the Schools' departmental-wide financial statements is \$542,805. Termination benefits are measured at the discounted present value of expected future benefit payments. The Schools used a discount rate of 2.40% and a projected annual healthcare cost trend rate of 3.60% to estimate the effect of making these payments over a five-year period.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

18. Economic Concentration

A significant number of taxpayers in the City of Oak Ridge are employed by the U.S. Department of Energy (DOE) or their contractors. DOE and related federal government contractors' operations are contingent upon annual U.S. congressional appropriations; therefore, a reduction in DOE related operations could have a significant effect upon the future operations of the Oak Ridge Schools.

The Schools receive annual funding from the State of Tennessee, City of Oak Ridge and Anderson and Roane Counties. The amount of revenue and other financing sources earned in the year ended June 30, 2023 in the General Purpose School Fund financial statements are as follows:

<u>Source</u>	<u>Amount</u>	<u>% of Revenues</u>
State of Tennessee	\$ 26,355,435	35.90%
City of Oak Ridge	23,399,689	31.87%
Anderson and Roane Counties	21,648,847	29.49%
Other	2,017,493	2.75%
Total	<u>\$ 73,421,464</u>	<u>100.00%</u>

Any reduction in funding from these sources could have a significant effect upon the future operations of the Schools.

19. Excess of Expenditures Over Appropriations

As required by the Tennessee Comptroller of the Treasury, Division of Local Governmental Audit, the Schools have prepared GASB Statement No. 34 departmental-wide financial statements for the fiscal year ended June 30, 2023. As a result during 2023, the General Purpose School Fund expenditures exceeded appropriations by \$5,380,311. This was due in part to the debt issuance and capital project activities done at the City on the school's behalf.

20. Contingencies

Loss contingencies are existing conditions, situations, or set of circumstances involving uncertainty as to possible loss. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. The reporting of loss contingencies depends on the likelihood that a future event or events will confirm the incurrence of a liability. Terms used to assess the range for the likelihood of loss are Probable, Reasonably Possible, and Remote. Loss contingencies that are assessed as probable and measurable are accrued in the financial statements. Loss contingencies that are assessed to be at least reasonably possible are disclosed in this note and loss contingencies that are assessed as remote are not reported in the financial statements, nor disclosed in the notes. The following table provides criteria for how the Board accounts for loss contingencies, based on the likelihood of the loss and measurability.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Basic Financial Statements
(Continued)

20. Contingencies (Continued)

Likelihood of future outflow or other sacrifice of resources	Loss amount can be reasonably measured	Loss range can be reasonably measured	Loss amount or range cannot be reasonably measured
Probable Future confirming event(s) are more likely to occur than not.	Accrue the liability. Report on Balance Sheet and Statement of Net Cost.	Accrue liability of the best estimate or (if there is no best estimate) minimum amount in loss range, and disclose nature of contingency and range of estimate liability.	Disclose nature of contingency and include a statement that an estimate cannot be made.
Reasonably possible Possibility of future confirming event(s) occurring is more than remote and less than likely.	Disclose nature of contingency and estimated loss amount.	Disclose nature of contingency and estimated loss range.	Disclose nature of contingency and include a statement that an estimate cannot be made.
Remote possibility of future event(s) occurring is slight.	No disclosure.	No disclosure.	No disclosure.

The Board did not have any contingencies that are considered reasonably possible to occur based on management's review of the financial accounting disclosure criteria above.

21. Subsequent Events

Subsequent events were evaluated through December 12, 2023, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios
Based on Participation in the Legacy Employee Pension Plan of TCRS

Last Measurement Period Ending June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability									
Service cost	\$ 593,620	\$ 576,571	\$ 558,772	\$ 553,182	\$ 534,843	\$ 511,277	\$ 451,076	\$ 399,832	\$ 484,522
Interest	1,920,483	1,992,432	2,019,852	2,070,010	2,140,572	2,199,907	2,280,384	2,329,426	2,342,952
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Differences between actual and expected experience	(141,131)	(738,027)	(399,170)	177,442	(227,304)	163,594	(224,433)	57,671	486,206
Change of assumptions	-	-	-	685,078	-	-	-	1,572,648	-
Benefit payments, including refunds of employee contributions	(1,385,505)	(1,407,675)	(1,487,476)	(1,522,704)	(1,562,047)	(1,650,215)	(1,758,888)	(1,799,812)	(1,927,930)
Net change in total pension liability	987,467	423,301	691,978	1,963,008	886,064	1,224,563	748,139	2,559,765	1,385,750
Total pension liability - beginning	25,705,562	26,693,029	27,116,330	27,808,308	29,771,316	30,657,380	31,881,943	32,630,082	35,189,847
Total pension liability - ending (a)	\$ 26,693,029	\$ 27,116,330	\$ 27,808,308	\$ 29,771,316	\$ 30,657,380	\$ 31,881,943	\$ 32,630,082	\$ 35,189,847	\$ 36,575,597
Plan fiduciary net position									
Contributions - employer	\$ 601,852	\$ 603,825	\$ 604,601	\$ 597,818	\$ 565,950	\$ 526,893	\$ 431,892	\$ 445,975	\$ 305,181
Contributions - employee	310,746	300,414	300,796	297,422	282,349	262,308	216,813	224,357	223,090
Net investment income	3,876,773	824,811	717,506	3,076,562	2,452,150	2,322,653	1,612,982	8,513,471	(1,539,463)
Benefit payments, including refunds of employee contributions	(1,385,505)	(1,407,675)	(1,487,476)	(1,522,704)	(1,562,047)	(1,650,215)	(1,758,888)	(1,799,812)	(1,927,930)
Administrative expense	(7,996)	(9,355)	(13,501)	(13,912)	(14,364)	(12,003)	(10,658)	(10,167)	(9,729)
Net change in plan fiduciary net position	3,395,870	312,020	121,926	2,435,186	1,724,038	1,449,636	492,141	7,373,824	(2,948,851)
Plan fiduciary net position - beginning	23,640,933	27,036,803	27,348,823	27,470,749	29,905,935	31,629,973	33,079,609	33,571,750	40,945,574
Plan fiduciary net position - ending (b)	\$ 27,036,803	\$ 27,348,823	\$ 27,470,749	\$ 29,905,935	\$ 31,629,973	\$ 33,079,609	\$ 33,571,750	\$ 40,945,574	\$ 37,996,723
Net pension liability (asset) - ending (a)-(b)	\$ (343,774)	\$ (232,493)	\$ 337,559	\$ (134,619)	\$ (972,593)	\$ (1,197,666)	\$ (941,668)	\$ (5,755,727)	\$ (1,421,126)
Plan fiduciary net position as a percentage of total pension liability	101.29%	100.86%	98.79%	100.45%	103.17%	103.76%	102.89%	116.36%	103.89%
Covered payroll	\$ 5,912,101	\$ 6,008,215	\$ 6,015,939	\$ 5,948,434	\$ 5,631,332	\$ 5,237,502	\$ 4,816,623	\$ 4,868,666	\$ 4,429,345
Net pension liability (asset) as a percentage of covered payroll	(5.81)%	(3.87)%	5.61%	(2.26)%	(17.27)%	(22.87)%	(19.55)%	(118.22)%	(32.08)%

Notes to Schedule

Changes in assumptions. In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Oak Ridge School System's Contributions Based on
Participation in the Public Employee Pension Plan of TCRS

Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 601,852	\$ 603,825	\$ 604,601	\$ 597,818	\$ 565,948	\$ 526,893	\$ 431,892	\$ 485,401	\$ 305,181	\$ 249,508
Contributions in relation to the actuarially determined contribution	601,852	603,825	604,601	597,818	565,948	526,893	431,892	485,401	305,181	249,508
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,912,101	\$ 6,008,215	\$ 6,015,939	\$ 5,948,434	\$ 5,631,323	\$ 5,237,495	\$ 4,816,623	\$ 4,868,666	\$ 4,429,345	\$ 4,031,691
Contributions as a percentage of covered payroll	10.18%	10.05%	10.05%	10.05%	10.05%	10.06%	8.97%	9.97%	6.89%	6.18%

GASB 68 requires a 10-year schedule for this data to be presented starting *with the implementation of GASB 68*. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Notes to Schedule

Valuation date: Actuarially determined contribution rates for 2023 were calculated based on the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.50 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.125 percent

Changes of assumptions: In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Oak Ridge School System's
Proportionate Share of the Net Pension Asset
Teacher Legacy Pension Plan of TCRS

Last Measurement Period Ending June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Oak Ridge School System's proportion of the net pension liability (asset)	0.643262%	0.662651%	0.714582%	0.709296%	0.729158%	0.751065%	0.769546%	0.798940%	0.793656%
Oak Ridge School System's proportionate share of the net pension liability (asset)	\$ (104,527)	\$ 271,444	\$ 4,465,739	\$ (232,072)	\$ (2,565,845)	\$ (7,722,304)	\$ (5,868,358)	\$ (34,458,664)	\$ (9,733,445)
Oak Ridge School System's covered payroll	\$ 25,247,996	\$ 24,806,330	\$ 25,794,986	\$ 25,166,846	\$ 25,532,743	\$ 25,184,288	\$ 25,612,457	\$ 26,095,337	\$ 26,118,749
Oak Ridge School System's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.41%	-1.09%	17.31%	-0.92%	-10.05%	-30.66%	-22.91%	-132.05%	-37.27%
Plan fiduciary net position as a percentage of the total pension liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Oak Ridge School System's Contributions
Teacher Legacy Pension Plan of TCRS

Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 2,242,022	\$ 2,242,495	\$ 2,331,864	\$ 2,266,622	\$ 2,318,372	\$ 2,634,279	\$ 2,722,608	\$ 2,684,797	\$ 2,690,230	\$ 2,271,426
Contributions in relation to the contractually determined contribution	<u>2,242,022</u>	<u>2,242,495</u>	<u>2,331,864</u>	<u>2,266,622</u>	<u>2,318,372</u>	<u>2,634,279</u>	<u>2,722,608</u>	<u>2,684,797</u>	<u>2,690,230</u>	<u>2,271,426</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Oak Ridge School System's covered payroll	\$25,247,996	\$24,806,330	\$25,794,986	\$25,166,846	\$25,532,743	\$25,184,312	\$25,612,457	\$26,086,003	\$26,118,749	\$26,477,102
Contributions as a percentage of Oak Ridge School System's covered payroll	8.88%	9.04%	9.04%	9.01%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Oak Ridge School System's
Proportionate Share of the Net Pension Liability (Asset)
Teacher Hybrid Pension Plan of TCRS

Last Fiscal Year Ending June 30

	2015	2016	2017	2018	2019	2020	2021	2022
Oak Ridge School System's proportion of the net pension liability (asset)	0.262638%	0.214610%	0.265898%	0.232039%	0.275306%	0.290066%	0.299617%	0.324839%
Oak Ridge School System's proportionate share of the net pension liability (asset)	\$ (10,566)	\$ (22,342)	\$ (70,154)	\$ (105,236)	\$ (155,406)	\$ (164,944)	\$ (324,548)	\$ (98,402)
Oak Ridge School System's covered payroll	\$ 545,692	\$ 944,289	\$ 1,651,613	\$ 2,027,749	\$ 2,913,297	\$ 3,660,406	\$ 4,298,242	\$ 5,547,238
Oak Ridge School System's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-1.94%	-2.37%	-4.25%	-5.19%	-5.33%	-4.51%	-7.55%	-1.77%
Plan fiduciary net position as a percentage of the total pension liability	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%

GASB 68 requires a 10-year schedule for this data to be presented starting *with the implementation of GASB 68*. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Oak Ridge School System's Contributions
Teacher Hybrid Pension Plan of TCRS

Last Fiscal Year Ending June 30**

	2015	2016	2017	2018	2019*	2020*	2021*	2022*	2023*
Contractually required contribution	\$ 546	\$ 23,637	\$ 69,808	\$ 33,067	\$ 56,518	\$ 74,306	\$ 88,216	\$ 111,500	\$ 203,058
Contributions in relation to the contractually required contribution	21,828	37,772	69,808	81,110	56,518	74,306	88,216	111,500	203,058
Contribution deficiency (excess)	\$ (21,282)	\$ (14,135)	\$ -	\$ (48,043)	\$ -	\$ -	\$ -	\$ -	\$ -
Oak Ridge School System's covered payroll	\$ 545,692	\$ 944,289	\$ 1,651,613	\$ 2,027,749	\$ 2,913,297	\$ 3,660,406	\$ 4,335,612	\$ 5,547,238	\$ 6,941,410
Contributions as a percentage of Oak Ridge School System's covered payroll	4.00%	4.00%	4.23%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%

* In fiscal years 2019, 2020, 2021, 2022 and 2023, the Schools placed the actuarially determined contribution rate of 1.94%, 2.03%, 2.02%, 2.01% and 2.87%, respectively, into the pension plan and placed 2.06%, 1.97%, 1.98%, 1.99% and 1.13%, respectively, of covered payroll into the Pension Stabilization Reserve Trust.

** GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios
Based on Participation in the Hybrid Employee Pension Plan of TCRS

Last Measurement Date Ending June 30

	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability								
Service cost	\$ 948	\$ 8,266	\$ 33,725	\$ 78,884	\$ 111,246	\$ 158,660	\$ 193,745	\$ 263,516
Interest	71	620	4,373	11,957	22,471	38,074	57,410	79,946
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between actual and expected experience	(1,019)	15,701	20,560	22,417	34,683	38,004	15,261	(34,250)
Change of assumptions	-	-	2,798	-	-	-	68,802	-
Benefit payments, including refunds of employee contributions	-	-	-	-	(1,204)	-	(6,249)	(18,668)
Net change in total pension liability	-	24,587	61,456	113,258	167,196	234,738	328,969	290,544
Total pension liability - beginning	-	-	24,587	86,043	199,301	366,497	601,235	930,204
Total pension liability - ending (a)	<u>\$ -</u>	<u>\$ 24,587</u>	<u>\$ 86,043</u>	<u>\$ 199,301</u>	<u>\$ 366,497</u>	<u>\$ 601,235</u>	<u>\$ 930,204</u>	<u>\$ 1,220,748</u>
Plan fiduciary net position								
Contributions - employer	\$ 541	\$ 12,691	\$ 37,547	\$ 61,210	\$ 34,943	\$ 59,833	\$ 72,312	\$ 75,988
Contributions - employee	677	15,864	46,935	76,513	111,998	158,873	184,031	192,464
Net investment income	-	370	7,928	15,431	25,111	26,672	204,068	(47,274)
Benefit payments, including refunds of employee contributions	-	-	-	-	(1,204)	-	(6,249)	(18,668)
Administrative expense	(40)	(1,165)	(3,234)	(5,083)	(6,539)	(7,122)	(8,419)	(10,314)
Other expense	-	-	1,470	-	-	-	-	-
Net change in plan fiduciary net position	1,178	27,760	90,646	148,071	164,309	238,256	445,743	192,196
Plan fiduciary net position - beginning	-	1,178	28,938	119,584	267,655	431,964	670,220	1,115,963
Plan fiduciary net position - ending (b)	<u>\$ 1,178</u>	<u>\$ 28,938</u>	<u>\$ 119,584</u>	<u>\$ 267,655</u>	<u>\$ 431,964</u>	<u>\$ 670,220</u>	<u>\$ 1,115,963</u>	<u>\$ 1,308,159</u>
Net pension liability (asset) - ending (a)-(b)	<u>\$ (1,178)</u>	<u>\$ (4,351)</u>	<u>\$ (33,541)</u>	<u>\$ (68,354)</u>	<u>\$ (65,467)</u>	<u>\$ (68,985)</u>	<u>\$ (185,759)</u>	<u>\$ (87,411)</u>
Plan fiduciary net position as a percentage of total pension liability	0.00%	117.70%	138.98%	134.30%	117.86%	111.47%	119.97%	107.16%
Covered payroll	\$ 13,535	\$ 303,747	\$ 938,688	\$ 1,530,245	\$ 2,239,932	\$ 2,692,050	\$ 3,435,754	\$ 3,818,481
Net pension liability (asset) as a percentage of covered payroll	(8.70)%	(1.43)%	(3.57)%	(4.47)%	(2.92)%	(2.56)%	(5.41)%	(2.29)%

Notes to Schedule

Changes of assumptions: In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth, and mortality improvements.

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Oak Ridge School System's Contributions Based on
Participation in the Hybrid Employee Pension Plan of TCRS

Last Fiscal Year Ending June 30**

	2015	2016	2017	2018	2019*	2020*	2021*	2022*	2023*
Actuarially determined contribution	\$ 271	\$ 6,616	\$ 23,561	\$ 27,850	\$ 34,943	\$ 59,833	\$ 67,645	\$ 75,988	\$ 125,459
Contributions in relation to the actuarially determined contribution	541	12,691	37,547	61,210	34,943	59,833	67,645	75,988	125,459
Contribution deficiency (excess)	<u>\$ (270)</u>	<u>\$ (6,075)</u>	<u>\$ (13,986)</u>	<u>\$ (33,360)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 13,535	\$ 303,747	\$ 938,688	\$ 1,030,245	\$ 2,239,932	\$ 2,692,050	\$ 3,435,754	\$ 3,618,481	\$ 4,894,735
Contributions as a percentage of covered payroll	4.00%	4.18%	4.00%	5.94%	1.56%	2.22%	1.97%	1.99%	2.53%

* In fiscal years 2019, 2020, 2021 and 2022, the Schools paced the actuarially determined contribution rate of 1.56%, 2.22%, 1.97%, 1.99% and 2.53%, respectively, into the pension plan and placed 2.44%, 1.78%, 2.01% and 1.47%, respectively, of covered payroll into the Pension Stabilization Reserve Trust.

** GASB 68 requires a 10-year schedule for this data to be presented starting *with the implementation of GASB 68*. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Notes to Schedule - Hybrid Plan

Valuation date: Actuarially determined contribution rates for fiscal year 2023 were calculated based on the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10 year smoothed within 20 percent corridor to market value
Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	6.75 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.125 percent

Changes of assumptions: In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Changes in Total OPEB Liability and Related Ratios
Based on Participation in the TGOP OPEB Plan

Last Measurement Date Ended June 30

	2017	2018	2019	2020	2021	2022
Collective Total OPEB Liability						
Service cost	\$ 623,425	\$ 579,515	\$ 521,587	\$ 378,249	\$ 500,110	\$ 556,802
Interest on the total OPEB liability	322,788	392,019	300,242	259,712	199,980	216,175
Changes of benefit terms	-	(896,256)	(2,296,835)	-	-	-
Differences between expected and actual experience of the total OPEB liability	-	(2,696,855)	1,621,329	323,428	340,038	271,513
Change in assumptions and other inputs	(490,174)	370,006	(568,662)	880,563	159,383	(931,742)
Benefit payments	(424,234)	(485,212)	(334,382)	(323,624)	(303,500)	(290,373)
Net change in total OPEB liability	31,805	(2,736,783)	(756,721)	1,518,328	896,011	(177,625)
Total OPEB liability - beginning	10,643,068	10,674,873	7,938,090	7,181,369	8,699,697	9,595,708
Total OPEB liability - ending	\$ 10,674,873	\$ 7,938,090	\$ 7,181,369	\$ 8,699,697	\$ 9,595,708	\$ 9,418,083
Proportion Determination						
Employer's actuarial accrued liability	\$ 7,697,256	\$ 5,769,324	\$ 5,064,825	\$ 6,249,923	\$ 6,537,967	\$ 6,223,006
State's actuarial accrued liability	\$ 2,977,617	\$ 2,168,766	\$ 2,116,544	\$ 2,449,774	\$ 3,057,741	\$ 3,195,077
Collective actuarial accrued liability	\$ 10,674,873	\$ 7,938,090	\$ 7,181,369	\$ 8,699,697	\$ 9,595,708	\$ 9,418,083
Employer's portion	0.721063	0.726790	0.705273	0.718406	0.681343	0.660751
State's portion	0.278937	0.273210	0.294727	0.281594	0.318657	0.339249
Employer's share of the total OPEB liability - beginning	\$ 7,674,323	\$ 7,697,256	\$ 5,769,324	\$ 5,064,825	\$ 6,249,923	\$ 6,537,967
Employer's share of the total OPEB liability - ending	\$ 7,697,256	\$ 5,769,324	\$ 5,064,825	\$ 6,249,923	\$ 6,537,967	\$ 6,223,006
Estimated covered payroll	\$ 26,795,318	\$ 27,562,952	\$ 28,002,656	\$ 29,272,863	\$ 30,421,615	\$ 33,418,512
Employer's total OPEB liability as a percentage of covered payroll	28.73%	20.93%	18.09%	21.35%	21.49%	18.62%

Notes:

Note 1: GASB 68 requires a 10-year schedule for this data to be presented starting *with the implementation of GASB 68*. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Note 2: The amounts reported for each fiscal year were determined as of the prior fiscal year.

Note 3: There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 related to this OPEB Plan.

Note 4: Changes in assumptions. The following are the discount rates used in each period:

2017 - 3.56%
2018 - 3.62%
2019 - 3.51%
2020 - 2.21%
2021 - 2.16%
2022 - 3.54%

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Changes in Total OPEB Liability and Related Ratios
Based on Participation in the TNP OPEB Plan

Last Measurement Date Ended June 30

	2017	2018	2019	2020	2021	2022
Collective Total OPEB Liability						
Service cost	\$ 34,159	\$ 27,854	\$ 24,568	\$ 31,362	\$ 44,233	\$ 36,465
Interest on the total OPEB liability	49,542	55,708	52,047	59,552	43,452	36,691
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience of the total OPEB liability	-	(124,727)	226,432	(75,689)	(1,225)	51,022
Change in assumptions and other inputs	(136,023)	(10,695)	22,697	319,319	(266,976)	(281,256)
Benefit payments	(72,750)	(73,655)	(70,802)	(76,526)	(79,064)	(79,388)
Net change in total OPEB liability	(125,072)	(125,515)	254,942	258,018	(259,580)	(236,466)
Total OPEB liability - beginning	1,698,868	1,573,796	1,448,281	1,703,223	1,961,241	1,701,661
Total OPEB liability - ending	\$ 1,573,796	\$ 1,448,281	\$ 1,703,223	\$ 1,961,241	\$ 1,701,661	\$ 1,465,195
Proportion Determination						
Employer's actuarial accrued liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's actuarial accrued liability	\$ 1,573,796	\$ 1,448,281	\$ 1,703,223	\$ 1,961,241	\$ 1,701,661	\$ 1,465,195
Collective actuarial accrued liability	\$ 1,573,796	\$ 1,448,281	\$ 1,703,223	\$ 1,961,241	\$ 1,701,661	\$ 1,465,195
Employer's portion	-	-	-	-	-	-
State's portion	100%	100%	100%	100%	100%	100%
Employer's share of the total OPEB liability - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's share of the total OPEB liability - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated covered payroll	\$ 6,887,121	\$ 7,159,117	\$ 7,462,834	\$ 7,508,673	\$ 8,304,420	\$ 8,926,426
Employer's total OPEB liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes:

Note 1: GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Note 2: The amounts reported for each fiscal year were determined as of the prior fiscal year.

Note 3: There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 related to this OPEB Plan.

Note 4: Changes in assumptions. The following are the discount rates used in each period:

2017 - 3.56%
2018 - 3.62%
2019 - 3.51%
2020 - 2.21%
2021 - 2.16%
2022 - 3.54%

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

General Purpose School Fund
Comparative Balance Sheets

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 14,812,450	\$ 16,033,179
Accounts receivable	970,618	605,327
Advances from other funds	1,091,035	1,434,333
Due from other governments	2,367,169	2,140,109
Prepaid items	594,622	5,400
Total current assets	<u>19,835,894</u>	<u>20,218,348</u>
Restricted assets:		
Cash and cash equivalents	457,764	836,534
Investments - Stabilization Reserve Trust	768,699	589,634
Grant receivable	775,753	364,497
Total restricted assets	<u>2,002,216</u>	<u>1,790,665</u>
Total assets	<u>\$ 21,838,110</u>	<u>\$ 22,009,013</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>		
Accounts payable	\$ 432,579	\$ 417,075
Retainage payable	304,404	423,887
Accrued salaries and benefits	3,710,731	3,549,350
Due to other funds	289,741	850,554
Total liabilities	<u>4,737,455</u>	<u>5,240,866</u>
Deferred inflows of resources	<u>19,939</u>	<u>225</u>
Fund balances:		
Non-spendable - prepaid expenditures	594,622	5,400
Restricted - bond proceeds	457,764	836,534
Restricted - Stabilization Reserve Trust	768,699	589,634
Unrestricted:		
Committed	3,029,379	3,095,586
Unassigned	12,230,252	12,240,768
Total fund balances*	<u>17,080,716</u>	<u>16,767,922</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,838,110</u>	<u>\$ 22,009,013</u>

* Includes unspent bond proceeds being held at the City at June 30, 2023 and 2022 of \$457,764 and \$836,534, respectively.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

General Purpose School Fund
Comparative Statements of Revenues, Expenditures and Changes
in Fund Balance

Years Ended June 30, 2023 and 2022

	2023 Actual	2022 Actual
Revenues:		
Property taxes	\$ 12,532,336	\$ 12,607,917
Local option sales taxes	9,116,166	8,714,780
Mixed drink taxes	385	318
Local mineral severance taxes	-	-
Charges for services	347,081	346,784
Other local sources	789,784	111,307
State of Tennessee - BEP	25,186,985	23,708,368
State of Tennessee - other	1,577,278	1,247,576
Federal government	68,534	36,815
SRT investment income	45,373	27,883
Other	357,853	84,550
Total revenues	<u>50,021,775</u>	<u>46,886,298</u>
Expenditures:		
Instruction:		
Regular instruction	28,979,453	26,530,158
Alternative school	865,793	819,702
Special education	4,745,579	4,390,673
Technology and career	1,896,974	1,579,421
Total instruction	<u>36,487,799</u>	<u>33,319,954</u>
Support services:		
Health services	649,498	110,355
Other student support	1,709,904	1,647,398
Instructional staff	3,367,139	3,147,027
Special education	752,876	803,695
Technology and career	180,088	141,455
Technology	2,641,193	2,499,398
Communications	128,867	125,082
Board of education	1,191,288	1,113,713
Office of superintendent	368,185	354,862
Office of principal	4,143,364	3,909,592
Fiscal services	937,168	852,285
Human resources/personnel	446,128	417,703
Operation of plant	4,452,457	4,164,154
Maintenance of plant	1,916,783	1,733,606
Transportation	1,672,172	1,562,603
Total support services	<u>24,557,110</u>	<u>22,582,928</u>

(Continued)

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

General Purpose School Fund
Comparative Statements of Revenues, Expenditures and Changes
in Fund Balance
(Continued)

Years Ended June 30, 2023 and 2022

	2023 Actual	2022 Actual
Expenditures (continued):		
Non-instructional:		
Other	\$ -	\$ -
Pre-k program - grant	459,464	459,659
Pre-k program - local	737,076	603,196
Total non-instructional	<u>1,196,540</u>	<u>1,062,855</u>
Other capital outlay:		
Capital outlay	<u>2,658,253</u>	<u>7,961,483</u>
Debt service:		
Principal on capitalized leases	251,645	243,276
Interest on capitalized leases	23,410	25,692
Principal on bonds and notes payable	5,199,499	4,841,365
Interest on bonds and notes payable	<u>2,262,951</u>	<u>2,174,953</u>
Total debt service	<u>7,737,505</u>	<u>7,285,286</u>
Total expenditures	<u>72,637,207</u>	<u>72,212,506</u>
Revenues over (under) expenditures	<u>(22,615,432)</u>	<u>(25,326,208)</u>
Other financing sources (uses):		
Transfers in - from city	23,399,689	22,959,335
Transfers in - other funds	245,165	331,929
Transfers out - other funds	(79,423)	(73,998)
Transfer out - debt service to City	(637,205)	(707,205)
Bond refunding	-	-
Cost of issuance	-	(46,513)
Underwriter's discount	-	(37,253)
Swap termination fees	-	-
Contribution from City	-	-
Bond premiums	-	463,766
Bond proceeds	<u>-</u>	<u>5,520,000</u>
Total other financing sources (uses) - net	<u>22,928,226</u>	<u>28,410,061</u>
Net change in fund balances	312,794	3,083,853
Fund balance, beginning	<u>16,767,922</u>	<u>13,684,069</u>
Fund balance, ending*	<u>\$ 17,080,716</u>	<u>\$ 16,767,922</u>

* Includes unspent bond proceeds being held at the City at June 30, 2023 and 2022 of \$457,764 and \$836,534, respectively.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

General Purpose School Fund
Comparative Schedules of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual

Years Ended June 30, 2023 and 2022

	2023				2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:								
Property taxes	\$ 12,832,909	\$ 12,832,909	\$ 12,532,336	\$ (300,573)	\$ 11,948,577	\$ 11,945,577	\$ 12,607,917	\$ 662,340
Local option sales taxes	7,288,185	7,288,185	9,116,166	1,827,981	6,748,319	6,748,319	8,714,780	1,966,461
Mixed drink taxes	125	125	385	260	125	125	318	193
Local mineral severance taxes	125	125	-	(125)	125	125	-	(125)
Charges for services	302,500	302,500	347,081	44,581	267,500	267,500	346,784	79,284
Other local sources	347,500	302,358	789,784	487,426	367,500	194,793	111,307	(83,486)
State of Tennessee - BEP	24,636,000	24,736,000	25,186,985	450,985	23,721,000	23,721,000	23,708,368	(12,632)
State of Tennessee - other	974,252	3,222,482	1,577,278	(1,645,204)	1,004,300	1,576,978	1,247,576	(329,402)
Federal government	25,000	25,000	68,534	43,534	25,000	25,000	36,815	11,815
SRT investment income	-	-	45,373	45,373	-	-	27,883	27,883
Other	82,100	344,205	357,853	13,648	76,272	79,327	84,550	5,223
Total revenues	46,488,696	49,053,889	50,021,775	967,886	44,158,718	44,558,744	46,886,298	2,327,554
Expenditures:								
Instruction:								
Regular instruction	29,102,659	29,185,135	28,979,453	(205,682)	27,699,122	27,726,951	26,530,158	(1,196,793)
Alternative school	871,598	887,471	865,793	(21,678)	844,781	841,981	819,702	(22,279)
Special education	4,902,959	5,008,076	4,745,579	(262,497)	4,576,538	4,579,038	4,390,673	(188,365)
Technology and career	1,642,501	2,931,536	1,896,974	(1,034,562)	1,490,375	1,599,226	1,579,421	(19,805)
Other	915,000	39,905	-	(39,905)	960,000	274,449	-	(274,449)
Total instruction	37,434,717	38,052,123	36,487,799	(1,564,324)	35,570,816	35,021,645	33,319,954	(1,701,691)
Support services:								
Health services	685,284	683,460	649,498	(33,962)	640,640	129,176	110,355	(18,821)
Other student support	1,718,738	1,748,367	1,709,904	(38,463)	1,665,611	1,685,074	1,647,398	(37,676)
Instructional staff	3,436,679	3,454,561	3,367,139	(87,422)	3,075,152	3,320,340	3,147,027	(173,313)
Special education	847,010	811,552	752,876	(58,676)	856,577	854,077	803,695	(50,382)
Technology and career	126,932	194,775	180,088	(14,687)	125,751	145,707	141,455	(4,252)
Technology services	2,714,421	2,701,152	2,641,193	(59,959)	2,625,333	2,612,834	2,499,398	(113,436)
Communications	129,237	153,560	128,867	(24,693)	122,201	125,612	125,082	(530)
Board of education	1,122,844	1,139,493	1,191,288	51,795	1,048,860	1,059,610	1,113,713	54,103
Office of superintendent	381,236	381,797	368,185	(13,612)	366,944	368,945	354,862	(14,083)
Office of principal	4,091,032	4,209,661	4,143,364	(66,297)	4,034,433	4,017,017	3,909,592	(107,425)
Fiscal services	972,723	946,730	937,168	(9,562)	913,397	922,957	852,285	(70,672)
Human resources/personnel	456,900	456,701	446,128	(10,573)	436,091	433,512	417,703	(15,809)
Operation of plant	4,713,674	4,563,021	4,452,457	(110,564)	4,318,042	4,239,216	4,164,154	(75,062)
Maintenance of plant	1,905,776	1,990,194	1,916,783	(73,411)	1,888,612	1,824,962	1,733,606	(91,356)
Transportation	1,696,898	1,798,556	1,672,172	(126,384)	1,607,692	1,790,455	1,562,603	(227,852)
Total support services	24,999,384	25,233,580	24,557,110	(676,470)	23,725,336	23,529,494	22,582,928	(946,566)

(Continued)

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

General Purpose School Fund
Comparative Schedules of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Continued)

Years Ended June 30, 2023 and 2022

	2023				2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (continued):								
Non-instructional:								
Other community services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-k program - grant	463,963	459,639	459,464	(175)	470,421	459,659	459,659	-
Pre-k program - local	761,435	749,282	737,076	(12,206)	751,651	682,012	603,196	(78,816)
Total non-instructional	<u>1,225,398</u>	<u>1,208,921</u>	<u>1,196,540</u>	<u>(12,381)</u>	<u>1,222,072</u>	<u>1,141,671</u>	<u>1,062,855</u>	<u>(78,816)</u>
Other capital outlay:								
Capital outlay	<u>1,032,205</u>	<u>2,755,272</u>	<u>2,658,253</u>	<u>(97,019)</u>	<u>977,205</u>	<u>2,205,045</u>	<u>7,961,483</u>	<u>5,756,438</u>
Debt service:								
Principal on capitalized leases	-	-	251,645	251,645	-	-	243,276	243,276
Interest on capitalized leases	-	-	23,410	23,410	-	-	25,692	25,692
Principal on bonds and notes payable	-	6,809	5,199,499	5,192,690	-	-	4,841,365	4,841,365
Interest on bonds and notes payable	-	191	2,262,951	2,262,760	-	-	2,174,953	2,174,953
Total debt service	<u>-</u>	<u>7,000</u>	<u>7,737,505</u>	<u>7,730,505</u>	<u>-</u>	<u>-</u>	<u>7,285,286</u>	<u>7,285,286</u>
Total expenditures	<u>64,691,704</u>	<u>67,256,896</u>	<u>72,637,207</u>	<u>5,380,311</u>	<u>61,495,429</u>	<u>61,897,855</u>	<u>72,212,506</u>	<u>10,314,651</u>
Revenues over (under) expenditures	<u>(18,203,008)</u>	<u>(18,203,007)</u>	<u>(22,615,432)</u>	<u>(4,412,425)</u>	<u>(17,336,711)</u>	<u>(17,339,111)</u>	<u>(25,326,208)</u>	<u>(7,987,097)</u>
Other financing sources (uses):								
Transfers in - from city	15,493,963	15,493,963	23,399,689	7,905,726	15,493,963	15,493,963	22,959,335	7,465,372
Transfer in - other funds	180,000	180,000	245,165	65,165	300,000	300,000	331,929	31,929
Transfers out - other funds	(79,501)	(79,501)	(79,423)	78	(76,784)	(77,384)	(73,998)	3,386
Transfer out - debt service to City	-	-	(637,205)	(637,205)	-	-	(707,205)	(707,205)
Bond refunding	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	(46,513)	(46,513)
Underwriter's discount	-	-	-	-	-	-	(37,253)	(37,253)
Swap termination fees	-	-	-	-	-	-	-	-
Contribution from City	-	-	-	-	-	-	-	-
Bond premiums	-	-	-	-	-	-	463,766	463,766
Bond proceeds	-	-	-	-	-	-	5,520,000	-
Total other financing sources (uses) - net	<u>15,594,462</u>	<u>15,594,462</u>	<u>22,928,226</u>	<u>7,333,764</u>	<u>15,717,179</u>	<u>15,716,579</u>	<u>28,410,061</u>	<u>7,173,482</u>
Net change in fund balances	<u>\$ (2,608,546)</u>	<u>\$ (2,608,545)</u>	<u>312,794</u>	<u>\$ 2,921,339</u>	<u>\$ (1,619,532)</u>	<u>\$ (1,622,532)</u>	<u>3,083,853</u>	<u>\$ (813,615)</u>
Fund balance, beginning			<u>16,767,922</u>				<u>13,684,069</u>	
Fund balance, ending*			<u>\$ 17,080,716</u>				<u>\$ 16,767,922</u>	

*Includes unspent bond proceeds being held at the City at June 30, 2023 and 2022 of \$457,764 and \$836,534, respectively.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

School Federal Projects Fund
Comparative Balance Sheets

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Grants receivable	\$ 1,258,272	\$ 1,584,823
Prepays	<u>-</u>	<u>1,915</u>
Total assets	<u>\$ 1,258,272</u>	<u>\$ 1,586,738</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Accounts payable	\$ 11,400	\$ 9,672
Accrued salaries and benefits	154,837	142,733
Due to other funds	1,091,035	1,434,333
Due to other governments	<u>1,000</u>	<u>-</u>
Total liabilities	<u>1,258,272</u>	<u>1,586,738</u>
Fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,258,272</u>	<u>\$ 1,586,738</u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

School Federal Projects Fund
Comparative Statements of Revenues, Expenditures and Changes
in Fund Balance

Years Ended June 30, 2023 and 2022

	2023 Actual	2022 Actual
Revenues:		
Federal government	\$ 7,064,811	\$ 11,622,021
Total revenues	<u>7,064,811</u>	<u>11,622,021</u>
Expenditures:		
Instructional:		
Regular instruction	1,334,459	4,263,682
Special education	1,016,694	782,236
Technology and career	548,018	828,170
Total instructional	<u>2,899,171</u>	<u>5,874,088</u>
Support services:		
Health services	204,526	1,004,900
Other student support	435,543	368,861
Instructional staff	1,614,917	1,356,502
Special education	248,339	273,852
Technology and career	1,894	2,284
Technology services	14,358	2,078
Office of the principal	-	12,878
Other	17,109	-
Transportation	61,546	25,167
Total support services	<u>2,598,232</u>	<u>3,046,522</u>
Non-instructional:		
Community service / early childhood education	1,181,984	1,230,429
Other	-	-
Total non-instructional	<u>1,181,984</u>	<u>1,230,429</u>
Other capital outlay:		
Capital outlay	<u>150,259</u>	<u>1,149,053</u>
Total expenditures	<u>6,829,646</u>	<u>11,300,092</u>
Revenues over (under) expenditures	<u>235,165</u>	<u>321,929</u>
Other financing sources (uses):		
Transfer to other funds	<u>(235,165)</u>	<u>(321,929)</u>
Total other financing sources (uses)	<u>(235,165)</u>	<u>(321,929)</u>
Net change in fund balances	-	-
Fund balance, beginning	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

School Federal Projects Fund
Comparative Schedules of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

Years Ended June 30, 2023 and 2022

	2023				2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:								
Federal government	\$ 10,031,877	\$ 9,961,936	\$ 7,064,811	\$ (2,897,125)	\$ 12,266,732	\$ 16,930,529	\$ 11,622,021	\$ (5,308,508)
Total revenues	10,031,877	9,961,936	7,064,811	(2,897,125)	12,266,732	16,930,529	11,622,021	(5,308,508)
Expenditures:								
Instructional:								
Regular instruction	2,506,681	2,429,002	1,334,459	(1,094,543)	5,125,000	5,960,705	4,263,682	(1,697,023)
Special education	1,008,497	1,308,940	1,016,694	(292,246)	900,000	1,353,665	782,236	(571,429)
Technology and career	313,941	561,828	548,018	(13,810)	260,000	1,292,366	828,170	(464,196)
Contingency	2,000,000	-	-	-	1,500,000	-	-	-
Total instructional	5,829,119	4,299,770	2,899,171	(1,400,599)	7,785,000	8,606,736	5,874,088	(2,732,648)
Support services:								
Health services	15,000	218,800	204,526	(14,274)	15,000	1,129,448	1,004,900	(124,548)
Other student support	557,720	694,827	435,543	(259,284)	765,000	708,462	368,861	(339,601)
Instructional staff	1,744,574	1,802,706	1,614,917	(187,789)	1,700,000	2,382,669	1,356,502	(1,026,167)
Special education	310,903	393,717	248,339	(145,378)	290,000	392,303	273,852	(118,451)
Technology and career	5,000	1,890	1,894	4	10,000	2,284	2,284	-
Technology services	2,000	26,233	14,358	(11,875)	2,000	7,917	2,078	(5,839)
Operation of plant	-	-	-	-	-	164	-	(164)
Office of the principal	-	-	-	-	-	-	12,878	12,878
Other	-	46,200	17,109	(29,091)	-	-	-	-
Transportation	300,000	387,479	61,546	(325,933)	355,000	332,028	25,167	(306,861)
Food service	-	-	-	-	-	5,746	-	(5,746)
Total support services	2,935,197	3,571,852	2,598,232	(973,620)	3,137,000	4,961,021	3,046,522	(1,914,499)
Non-instructional:								
Community service / early childhood education	1,057,561	1,209,080	1,181,984	(27,096)	1,044,732	1,312,529	1,230,429	(82,100)
Other	-	-	-	-	-	-	-	-
Total non-instructional	1,057,561	1,209,080	1,181,984	(27,096)	1,044,732	1,312,529	1,230,429	(82,100)
Other capital outlay:								
Capital outlay	60,000	524,619	150,259	(374,360)	-	1,479,406	1,149,053	(330,353)
Total expenditures	9,881,877	9,605,321	6,829,646	(2,775,675)	11,966,732	16,359,692	11,300,092	(5,059,600)
Revenue over (under) expenditures	150,000	356,615	235,165	(121,450)	300,000	570,837	321,929	(248,908)
Other financing sources (uses):								
Transfer to other funds	(150,000)	(356,615)	(235,165)	121,450	(300,000)	(570,837)	(321,929)	248,908
Total other financing sources (uses)	(150,000)	(356,615)	(235,165)	121,450	(300,000)	(570,837)	(321,929)	248,908
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning								
Fund balance, ending			\$ -				\$ -	

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Nonmajor Governmental Funds
Combining Balance Sheet

June 30, 2023

	Special Revenue Funds				
	Other Education Special Revenue Funds	Extended School Program Fund	Cafeteria	Internal School Funds	Total Special Revenue Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ -	\$ -	\$ 2,146,510	\$ 1,308,571	\$ 3,455,081
Inventories	-	-	18,827	-	18,827
Accounts receivable	-	210	3,980	185	4,375
Grants receivable	12,574	-	41,283	-	53,857
Advances to other funds	20,833	229,963	38,945	-	289,741
Total assets	\$ 33,407	\$ 230,173	\$ 2,249,545	\$ 1,308,756	\$ 3,821,881
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Accounts payable	\$ -	\$ 100	\$ 135,382	\$ -	\$ 135,482
Accrued salaries and benefits	3,616	6,540	-	-	10,156
Total liabilities	3,616	6,640	135,382	-	145,638
Deferred inflows of resources	-	-	43,337	-	43,337
Fund balances:					
Nonspendable:					
Inventories	-	-	18,827	-	18,827
Restricted:					
Restricted for support service	29,791	-	-	-	29,791
Restricted for non-instructional	-	-	2,051,999	-	2,051,999
Restricted for education	-	-	-	1,308,756	1,308,756
Unrestricted:					
Committed	-	223,533	-	-	223,533
Total fund balances	29,791	223,533	2,070,826	1,308,756	3,632,906
Total liabilities, deferred inflows of resources and fund balances	\$ 33,407	\$ 230,173	\$ 2,249,545	\$ 1,308,756	\$ 3,821,881

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year Ended June 30, 2023

	Special Revenue Funds				
	Other Education Special Revenue Funds	Extended School Program Fund	Central Cafeteria Fund	Internal School Funds	Total
Revenues:					
Charges for service	\$ -	\$ 460,154	\$ 598,453	\$ -	\$ 1,058,607
Other local sources	37,090	-	-	-	37,090
State grants	120,152	-	-	-	120,152
Federal government	-	-	1,895,317	-	1,895,317
Other local revenues	-	-	-	1,515,848	1,515,848
Other	-	-	27,540	-	27,540
Total revenues	<u>157,242</u>	<u>460,154</u>	<u>2,521,310</u>	<u>1,515,848</u>	<u>4,654,554</u>
Expenditures:					
Support services:					
Other student support	-	-	-	-	-
Non-instructional:					
Food service	-	-	2,376,278	-	2,376,278
Operation of non-instructional services	-	-	-	1,304,911	1,304,911
Community service	<u>233,485</u>	<u>374,459</u>	<u>-</u>	<u>-</u>	<u>607,944</u>
Total expenditures	<u>233,485</u>	<u>374,459</u>	<u>2,376,278</u>	<u>1,304,911</u>	<u>4,289,133</u>
Revenues over (under) expenditures	<u>(76,243)</u>	<u>85,695</u>	<u>145,032</u>	<u>210,937</u>	<u>365,421</u>
Other financing sources (uses):					
Operating transfers - other funds	<u>79,423</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>69,423</u>
Total other financing sources (uses)	<u>79,423</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>69,423</u>
Net change in fund balances	3,180	75,695	145,032	210,937	434,844
Fund balance, beginning	<u>26,611</u>	<u>147,838</u>	<u>1,925,794</u>	<u>1,097,819</u>	<u>3,198,062</u>
Fund balance, ending	<u>\$ 29,791</u>	<u>\$ 223,533</u>	<u>\$ 2,070,826</u>	<u>\$ 1,308,756</u>	<u>\$ 3,632,906</u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Other Education Special Revenue Funds
Comparative Balance Sheets

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Grants receivable	\$ 12,574	\$ 25,324
Advances to other funds	<u>20,833</u>	<u>4,683</u>
Total assets	<u>\$ 33,407</u>	<u>\$ 30,007</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accrued salaries and benefits	\$ 3,616	\$ 3,396
Due to other funds	<u>-</u>	<u>-</u>
Total liabilities	<u>3,616</u>	<u>3,396</u>
Fund balances:		
Restricted:		
Restricted for support services	<u>29,791</u>	<u>26,611</u>
Total liabilities and fund balances	<u>\$ 33,407</u>	<u>\$ 30,007</u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Other Education Special Revenue Funds
Comparative Statements of Revenues, Expenditures and Changes
in Fund Balance

Years Ended June 30, 2023 and 2022

	2023 Actual	2022 Actual
Revenues:		
Other local sources	\$ 37,090	\$ 30,125
State grants	<u>120,152</u>	<u>121,212</u>
Total revenues	<u>157,242</u>	<u>151,337</u>
Expenditures:		
Non-instructional:		
Other student services	-	103,610
Community service	<u>233,485</u>	<u>126,564</u>
Total expenditures	<u>233,485</u>	<u>230,174</u>
Revenues over (under) expenditures	(76,243)	(78,837)
Other financing sources:		
Operating transfers - other funds	<u>79,423</u>	<u>73,998</u>
Net change in fund balance	3,180	(4,839)
Fund balance, beginning	<u>26,611</u>	<u>31,450</u>
Fund balance, ending	<u>\$ 29,791</u>	<u>\$ 26,611</u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Other Education Special Revenue Funds
Comparative Schedules of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

Years Ended June 30, 2023 and 2022

	2023				2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:								
Other local sources	\$ 35,000	\$ 35,000	\$ 37,090	\$ 2,090	\$ 35,000	\$ 35,000	\$ 30,125	\$ (4,875)
State grants	114,611	120,152	120,152	-	114,611	121,402	121,212	(190)
Total revenues	149,611	155,152	157,242	2,090	149,611	156,402	151,337	(5,065)
Expenditures:								
Non-instructional:								
Other student services	109,112	-	-	-	106,395	106,396	103,610	(2,786)
Community service	120,000	234,653	233,485	(1,168)	120,000	126,790	126,564	(226)
Total expenditures	229,112	234,653	233,485	(1,168)	226,395	233,186	230,174	(3,012)
Revenues over (under) expenditures	(79,501)	(79,501)	(76,243)	3,258	(76,784)	(76,784)	(78,837)	(2,053)
Other financing sources:								
Operating transfers - other funds	79,501	79,501	79,423	(78)	76,784	76,784	73,998	(2,786)
Net change in fund balance	\$ -	\$ -	3,180	\$ 3,180	\$ -	\$ -	(4,839)	\$ (4,839)
Fund balance, beginning			26,611				31,450	
Fund balance, ending			\$ 29,791				\$ 26,611	

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Extended School Program Fund
Comparative Balance Sheets

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Accounts receivable	\$ 210	\$ -
Advances to other funds	<u>229,963</u>	<u>150,816</u>
Total assets	<u>\$ 230,173</u>	<u>\$ 150,816</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 100	\$ 81
Accrued salaries and benefits	<u>6,540</u>	<u>2,897</u>
Total liabilities	<u>6,640</u>	<u>2,978</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>
Fund balances:		
Committed	<u>223,533</u>	<u>147,838</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 230,173</u>	<u>\$ 150,816</u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Extended School Program Fund
Comparative Statements of Revenues, Expenditures and Changes
in Fund Balance

Years Ended June 30, 2023 and 2022

	<u>2023 Actual</u>	<u>2022 Actual</u>
Revenues:		
Charges for services	\$ 460,154	\$ 371,372
Total revenues	<u>460,154</u>	<u>371,372</u>
Expenditures:		
Non-instructional:		
Community service	<u>374,459</u>	<u>311,837</u>
Total expenditures	<u>374,459</u>	<u>311,837</u>
Revenues over (under) expenditures	85,695	59,535
Other financing sources (uses):		
Operating transfers - other funds	<u>(10,000)</u>	<u>(10,000)</u>
Net change in fund balance	75,695	49,535
Fund balance, beginning	<u>147,838</u>	<u>98,303</u>
Fund balance, ending	<u>\$ 223,533</u>	<u>\$ 147,838</u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Extended School Program Fund
Comparative Schedules of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

Years Ended June 30, 2023 and 2022

	2023				2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:								
Charges for services	\$ 363,430	\$ 363,430	\$ 460,154	\$ 96,724	\$ 362,340	\$ 362,340	\$ 371,372	\$ 9,032
Total revenues	<u>363,430</u>	<u>363,430</u>	<u>460,154</u>	<u>96,724</u>	<u>362,340</u>	<u>362,340</u>	<u>371,372</u>	<u>9,032</u>
Expenditures:								
Non-instructional:								
Community service	<u>398,430</u>	<u>398,430</u>	<u>374,459</u>	<u>(23,971)</u>	<u>352,340</u>	<u>352,340</u>	<u>311,837</u>	<u>(40,503)</u>
Total expenditures	<u>398,430</u>	<u>398,430</u>	<u>374,459</u>	<u>(23,971)</u>	<u>352,340</u>	<u>352,340</u>	<u>311,837</u>	<u>(40,503)</u>
Revenues over (under) expenditures	(35,000)	(35,000)	85,695	120,695	10,000	10,000	59,535	49,535
Other financing sources (uses):								
Operating transfers - other funds	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (45,000)</u>	<u>\$ (45,000)</u>	<u>75,695</u>	<u>\$ 120,695</u>	<u>\$ -</u>	<u>\$ -</u>	<u>49,535</u>	<u>\$ 49,535</u>
Fund balance, beginning			<u>147,838</u>				<u>98,303</u>	
Fund balance, ending			<u>\$ 223,533</u>				<u>\$ 147,838</u>	

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Central Cafeteria Fund
Comparative Balance Sheets

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,146,510	\$ 1,220,428
Inventories	18,827	27,669
Accounts receivable	3,980	5,542
Grants receivable	41,283	72,986
Advances to other funds	<u>38,945</u>	<u>695,055</u>
Total assets	<u>\$ 2,249,545</u>	<u>\$ 2,021,680</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>		
Accounts payable	<u>\$ 135,382</u>	<u>\$ 73,716</u>
Total liabilities	<u>135,382</u>	<u>73,716</u>
Deferred inflows of resources	<u>43,337</u>	<u>22,170</u>
Fund balance:		
Nonspendable:		
Inventories	18,827	27,669
Restricted for non-instructional - food service	<u>2,051,999</u>	<u>1,898,125</u>
Total fund balance	<u>2,070,826</u>	<u>1,925,794</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,249,545</u>	<u>\$ 2,021,680</u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Central Cafeteria Fund
Comparative Statements of Revenues, Expenditures and Changes
in Fund Balance

Years Ended June 30, 2023 and 2022

	<u>2023 Actual</u>	<u>2022 Actual</u>
Revenues:		
Charges for services	\$ 598,453	\$ 170,138
Federal and state government	1,895,317	3,263,735
Other income	<u>27,540</u>	<u>2,115</u>
Total revenues	<u>2,521,310</u>	<u>3,435,988</u>
Expenditures:		
Non-instructional:		
Food service	<u>2,376,278</u>	<u>2,574,210</u>
Total expenditures	<u>2,376,278</u>	<u>2,574,210</u>
Net change in fund balance	145,032	861,778
Fund balance, beginning	<u>1,925,794</u>	<u>1,064,016</u>
Fund balance, ending	<u>\$ 2,070,826</u>	<u>\$ 1,925,794</u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Central Cafeteria Fund
Comparative Schedules of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

Years Ended June 30, 2023 and 2022

	2023				2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:								
Charges for services	\$ 473,939	\$ 673,939	\$ 598,453	\$ (75,486)	\$ 193,648	\$ 193,648	\$ 170,138	\$ (23,510)
Federal and state government	1,888,094	1,888,094	1,895,317	7,223	2,231,250	2,331,250	3,263,735	932,485
Other income	5,524	5,524	27,540	22,016	3,600	3,600	2,115	(1,485)
Total revenues	<u>2,367,557</u>	<u>2,567,557</u>	<u>2,521,310</u>	<u>(46,247)</u>	<u>2,428,498</u>	<u>2,528,498</u>	<u>3,435,988</u>	<u>907,490</u>
Expenditures:								
Non-instructional:								
Food service	<u>2,667,557</u>	<u>2,867,557</u>	<u>2,376,278</u>	<u>(491,279)</u>	<u>2,578,498</u>	<u>2,678,498</u>	<u>2,574,210</u>	<u>(104,288)</u>
Total expenditures	<u>2,667,557</u>	<u>2,867,557</u>	<u>2,376,278</u>	<u>(491,279)</u>	<u>2,578,498</u>	<u>2,678,498</u>	<u>2,574,210</u>	<u>(104,288)</u>
Net change in fund balance	<u>\$ (300,000)</u>	<u>\$ (300,000)</u>	145,032	<u>\$ 445,032</u>	<u>\$ (150,000)</u>	<u>\$ (150,000)</u>	861,778	<u>\$ 1,011,778</u>
Fund balance, beginning			<u>1,925,794</u>				<u>1,064,016</u>	
Fund balance, ending			<u>\$2,070,826</u>				<u>\$1,925,794</u>	

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Internal School Funds
Balance Sheet

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,308,571	\$ 1,097,819
Prepays	<u>185</u>	<u>-</u>
Total assets	<u>\$ 1,308,756</u>	<u>\$ 1,097,819</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Accounts payable	\$ <u>-</u>	\$ <u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
Fund balance:		
Restricted for education	<u>1,308,756</u>	<u>1,097,819</u>
Total fund balance	<u>1,308,756</u>	<u>1,097,819</u>
Total liabilities and fund balance	<u>\$ 1,308,756</u>	<u>\$ 1,097,819</u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Internal School Funds
Statement of Revenues, Expenditures and Changes
in Fund Balance

Years Ended June 30, 2023 and 2022

	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
Revenues:		
Contributions	<u>\$ 1,515,848</u>	<u>\$ 1,053,980</u>
Total revenues	<u>1,515,848</u>	<u>1,053,980</u>
Expenditures:		
School related expenditures	<u>1,304,911</u>	<u>1,025,326</u>
Total expenditures	<u>1,304,911</u>	<u>1,025,326</u>
Net change in fund balance	210,937	28,654
Fund balance, beginning	<u>1,097,819</u>	<u>1,069,165</u>
Fund balance, ending	<u>\$ 1,308,756</u>	<u>\$ 1,097,819</u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Comparative Statements of Fiduciary Net Position - Fiduciary Fund
Private Purpose Trust

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 103,543	\$ 87,284
Total assets	<u>\$ 103,543</u>	<u>\$ 87,284</u>
 <u>LIABILITIES AND NET POSITION</u>		
Accounts payable	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>
Net position:		
Held in trust for scholarships	<u>103,543</u>	<u>87,284</u>
Total net position	<u>103,543</u>	<u>87,284</u>
Total liabilities and net position	<u>\$ 103,543</u>	<u>\$ 87,284</u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Comparative Statements of Changes in Fiduciary Net Position - Fiduciary Fund
Private Purpose Trust

Years Ended June 30, 2023 and 2022

	2023 Actual	2022 Actual
Additions:		
Investment income	\$ 3,459	\$ 182
Contributions	<u>15,500</u>	<u>500</u>
Total additions	<u>18,959</u>	<u>682</u>
Deductions:		
Scholarship awards	<u>2,700</u>	<u>1,600</u>
Total deductions	<u>2,700</u>	<u>1,600</u>
Change in net position	16,259	(918)
Net position, beginning	<u>87,284</u>	<u>88,202</u>
Net position, ending	<u><u>\$ 103,543</u></u>	<u><u>\$ 87,284</u></u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Expenditures of Federal and State Awards

June 30, 2023

Federal Grantor/Pass-through Grantor/State Grantor	Program/ Cluster Name	Assistance Listing Number	Contract Number	Passed Through To Subrecipients	Expenditures
Federal Awards:					
Direct Funding:					
U.S. Department of Energy	Clinch River Environmental Studies Organization (CRESO)	81.104	DE-FG05-93OR22105	N/A	\$ 73,745
Total Program 81.104					<u>73,745</u>
U.S. Department of Education	Federal Impact Aid-Section 8003	84.041	S041B-2017-4752	N/A	11,714
Total Program 84.041					<u>11,714</u>
Total Direct Funding					<u>85,459</u>
Pass-through Funding:					
U.S. Department of Health and Human Services (HHS) through Anderson County, TN	Headstart	93.600	PA20	N/A	8,846
U.S. Department of Health and Human Services (HHS) through Anderson County, TN	Headstart	93.600	PA22	N/A	897,533
U.S. Department of Health and Human Services (HHS) through Anderson County, TN	Headstart Safety Grant	93.600	PA	N/A	945
U.S. Department of Health and Human Services (HHS) through Anderson County, TN	Headstart ARP	93.600	N/A	N/A	58,370
Total Program 93.600					<u>965,694</u>
U.S. Department of Education through TN Department of Education	IDEA Implementation Grant	84.027A	Award #H027A220052	N/A	40,947
U.S. Department of Education through TN Department of Education	IDEA Discretionary Preschool	84.027A	Project #23-01200 Award #H173A22095	N/A	963,048
Total Program 84.027A					<u>1,003,995</u>
U.S. Department of Education through TN Department of Education	IDEA - ARP	84.027X	Project# 23-012000 Award #H027X210052	N/A	204,963
Total Program 84.027X					<u>204,963</u>
U.S. Department of Education through TN Department of Education	Idea-B/Preschool	84.173A	Project #23--012000 Award #H173A220095	N/A	30,063
Total Program 84.173A					<u>30,063</u>
U.S. Department of Education through TN Department of Education	Idea-B/Preschool - ARP	84.173X	Project #23--012000 Award #H173X210095	N/A	16,510
Total Program 84.173X					<u>16,510</u>
Total Special Education (IDEA) Cluster					<u>1,255,531</u>

(Continued)

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Expenditures of Federal and State Awards
(Continued)

June 30, 2023

Federal Grantor/Pass-through Grantor/State Grantor	Program/ Cluster Name	Assistance Listing Number	Contract Number	Passed Through To Subrecipients	Expenditures
Federal Awards (Continued):					
Pass-through Funding (Continued):					
U.S. Department of Education through TN Department of Education	Carl Perkins ACT	84.048A	Project #23-012000 Award #V048A220042	N/A	\$ 130,654
Total Program 84.048A					130,654
U.S. Department of Education through TN Department of Education	TSW	84.126	N/A	N/A	138,727
Total Program 84.126					138,727
U.S. Department of Agriculture through TN Department of Education	National School Lunch & Breakfast Program / After School Snacks	10.555	N/A	N/A	1,298,560
U.S. Department of Agriculture through TN Department of Education	Supply Chain Assistance	10.555	N/A	N/A	229,270
U.S. Department of Agriculture through TN Department of Education	USDA Commodity Rebate	10.555	N/A	N/A	4,798
Total Program 10.555					1,532,628
U.S. Department of Agriculture through TN Department of Education	USDA Summer Food Program	10.559	N/A	N/A	34,729
Total Program 10.559					34,729
Total Child Nutrition Cluster					1,567,357
U.S. Department of Agriculture through TN Department of Human Services	Child & Adult Care Food Program	10.558	03-47-59931-00-5	N/A	188,810
Total Program 10.558					188,810
U.S. Department of Agriculture through TN Department of Education	Pandemic - EBT Admin Costs	10.649	N/A	N/A	3,135
Total Program 10.649					3,135
U.S. Department of Education through TN Department of Education	Resilient School Communities	84.425D	Project #23-012000	N/A	146,795
U.S. Department of Education through TN Department of Education	Literacy Training Stipend	84.425D	Project #22-012000	N/A	30,000
U.S. Department of Education through TN Department of Education	ESSER 2.0	84.425D	Project #23-012000 Award #s425d210047	N/A	115,619
U.S. Department of Education through TN Department of Education	ESSER 3.0	84.425U	Project #23-012000 Award #S425U210047	N/A	1,496,886

(Continued)

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Expenditures of Federal and State Awards
(Continued)

June 30, 2023

Federal Grantor/Pass-through Grantor/State Grantor	Program/ Cluster Name	Assistance Listing Number	Contract Number	Passed Through To Subrecipients	Expenditures
Federal Awards (Continued):					
Pass-through Funding (Continued):					
U.S. Department of Education through TN Department of Education	ESSER Planning	84.425U	Project #23-012000 Award #S45D210047	N/A	\$ 71,845
U.S. Department of Education through TN Department of Education	Best For All District	84.425D	Project #23-012000 Award# S425D210047	N/A	171,390
U.S. Department of Education through TN Department of Education	TN All Corp.	84.425D	Project # 23-012000 Award #S425D210047	N/A	288,253
U.S. Department of Education through TN Department of Education	Innovative High School	84.425C	Project #23-012000 Award #S425C210027	N/A	455,887
U.S. Department of Education through TN Department of Education	Fiscal Pre- Monitoring Supports	84.425D	Project #23-012000 Award #S425U210047	N/A	17,109
U.S. Department of Education through TN Department of Education	Math Implementation	84.425D	Project #23-012000 Award #S425D210047	N/A	69,250
U.S. Department of Education through TN Department of Education	APR Homeless	84.425W	Project #23-012000 Award #S425W210044-21A	N/A	3,667
Total Program 84.425					<u>2,866,701</u>
U.S. Department of Education through TN Department of Education	Title I - A	84.010A	Project #23-572-012000 Award #SO10A210042	N/A	1,030,978
Total Program 84.010A					<u>1,030,978</u>
U.S. Department of Education through TN Department of Education	Title IV - B	84.287C	Project #23--012000 Award #S287C220043	N/A	157,647
Total Program 84.287					<u>157,647</u>
U.S. Department of Education through TN Department of Education	Title III - A	84.365A	Project #23--01200 Award #S365A220042	N/A	10,181
Total Program 84.365A					<u>10,181</u>
U.S. Department of Education through TN Department of Education	Title II - A	84.367A	Project #23--012000 Award #SO10A210042	N/A	170,781
Total Program 84.367A					<u>170,781</u>
U.S. Department of Education through TN Department of Education	Title IV - A	84.424A	Project #23--012000 Award #S424A220044	N/A	75,607
Total Program 84.424A					<u>75,607</u>

(Continued)

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Expenditures of Federal and State Awards
(Continued)

June 30, 2023

Federal Grantor/Pass-through Grantor/State Grantor	Program/ Cluster Name	Assistance Listing Number	Contract Number	Passed Through To Subrecipients	Expenditures
<u>Federal Awards (Continued):</u>					
Pass-through Funding (Continued):					
U.S. Department of Education through TN Department of Education	Epidemiology and Laboratory Capacity Grant	93.323	Project #23-012000	N/A	\$ 188,563
Total Program 93.323					<u>188,563</u>
Total Pass-through Funding					<u>8,750,366</u>
Total Federal Awards					<u><u>\$ 8,835,825</u></u>
<u>State Awards:</u>					
U.S. Department of Agriculture through TN Department of Education	Child Nutrition State Match	N/A	N/A	N/A	\$ 20,347
U.S. Department of Education through TN Department of Education	Tennessee System	N/A	S411C200066	N/A	20,850
U.S. Department of Education through TN Department of Education	Summer Learning Camp	N/A	N/A	N/A	259,689
U.S. Department of Education through TN Department of Education	Innovative School Models Grant	N/A	N/A	N/A	408,828
U.S. Department of Education through TN Department of Education	Summer Learning Transportation	N/A	N/A	N/A	78,067
Tennessee Department of Education	Middle School STEM	N/A	N/A	N/A	20,000
Tennessee Department of Education	Early Childhood Education Pre-K Expansion	N/A	23--012000 PreK/State 46515	N/A	459,639
Tennessee Department of Education	Coordinated School Health	N/A	Project #23--012000 46590 (S397A090043)	N/A	75,000
Tennessee Department of Education	Safe Schools Act - FY2019	N/A	S397A090043	N/A	90,540
Tennessee Department of Education	Family Resource Center - FY 2020	N/A	Project #23-012000	N/A	<u>29,612</u>
Total State Awards					<u><u>\$ 1,462,572</u></u>
Total Federal and State Awards					<u><u>\$ 10,298,397</u></u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Notes to Schedule of Expenditures of Federal and State Awards

Year Ended June 30, 2023

Note A – Basis of Presentation

The accompanying schedule of federal and state awards (the Schedule) includes federal and state award activity of Oak Ridge Schools under programs of the federal and state governments for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Oak Ridge Schools, it is not intended to and does not present the financial position, changes in net position, or cash flows of Oak Ridge Schools.

Note B – Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Oak Ridge Schools has elected to use an indirect cost rate of 6.0% for the following programs, as allowed under the Uniform Guidance:
 - a. TNSySTEMS
 - b. Title I
 - c. Title II
 - d. Title IV – 21st Century
 - e. Carl Perkins ACT
 - f. IDEA Discretionary
 - g. IDEA B
 - h. IDEA ARP
 - i. IDEA Preschool
 - j. ESSER
 - k. CRESO
 - l. Innovative High School
- (3) Oak Ridge Schools used a maximum allowed indirect cost rate of 2% for Title III & Title IV.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Noncash Federal Awards

June 30, 2023

<u>Federal Grantor/Pass-through Grantor/State Grantor</u>	<u>Program/ Cluster Name</u>	<u>Assistance Listing Number</u>	<u>Contract Number</u>	<u>Passed Through To Subrecipients</u>	<u>Expenditures</u>
<u>Federal Awards:</u>					
Noncash:					
U.S. Department of Agriculture through TN Department of Education	N/A	10.569	N/A	N/A	<u>\$ 115,667</u>

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Schedule of Changes in Long-Term Debt by Individual Issue

June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 6/30/2022	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2023
Bonds Payable:									
TN General Obligation Refunding Bond - Series 2017	\$ 3,905,000	Variable (2)	11/10/2017	06/01/2033	\$ 2,984,571	\$ -	\$ 260,499	\$ -	\$ 2,724,072
TN General Obligation Bond - Series 2018	8,700,000	Variable (3)	12/18/2018	06/01/2043	8,305,000	-	255,000	-	8,050,000
TN General Obligation Refunding Bond - Series 2019	15,713,000	Variable (1)	09/13/2019	06/01/2038	9,995,000	-	129,000	-	9,866,000
TN General Obligation Refunding Bond - Series 2020A	9,000,000	Variable (4)	12/18/2020	06/01/2035	9,000,000	-	-	-	9,000,000
TN General Obligation Bond - Series 2020B	3,135,000	Variable (5)	12/18/2020	06/01/2027	3,035,000	-	100,000	-	2,935,000
TN General Obligation Refunding Bond - Series 2021A	25,735,000	Variable (1)	06/04/2021	06/01/2035	25,495,000	-	2,650,000	-	22,845,000
TN General Obligation Bond - Series 2021C	5,520,000	Variable (6)	09/24/2021	06/01/2041	5,280,000	-	205,000	-	5,075,000
TMBF Bonds - Series 2008	7,752,287	Variable (7)	04/16/2008	05/25/2027	<u>7,052,288</u>	<u>-</u>	<u>1,600,000</u>	<u>-</u>	<u>5,452,288</u>
Total Bonds Payable					<u>\$ 71,146,859</u>	<u>\$ -</u>	<u>\$ 5,199,499</u>	<u>\$ -</u>	<u>\$ 65,947,360</u>
Loans Payable:									
Loan Payable to EESI of TN, Loan	3,000,000	1.00%	01/01/2020	12/01/2031	<u>\$ 2,436,634</u>	<u>\$ -</u>	<u>\$ 245,724</u>	<u>\$ -</u>	<u>\$ 2,190,910</u>

- (1) Variable interest rate between 2.00 - 5.00%
(2) Variable interest rate between 2.25 - 5.00%
(3) Variable interest rate between 3.25 - 5.00%
(4) Variable interest rate between 1.00 - 5.00%
(5) Variable interest rate between 0.50 - 1.00%
(6) Variable interest rate between 1.35 - 4.00%
(7) Variable interest rate at June 30, 2023 is 4.34%

See independent auditor's report.

STATISTICAL SECTION (UNAUDITED)

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
Net investment in capital assets	\$ 7,276,344	\$ (3,622,970)	\$ (8,264,370)	\$ (6,865,976)	\$ (4,268,288)	\$ (8,467,072)	\$ (10,064,996)	\$ (4,884,355)	\$ (4,988,392)	\$ (4,467,543)
Restricted	15,976,220	45,201,090	11,235,693	13,797,680	8,954,898	3,716,673	429,327	280,344	133,981	143,972
Unrestricted	12,654,953	(13,896,633)	6,800,312	(7,960,515)	(10,404,145)	(7,228,052)	(8,173,876)	(12,254,611)	(11,186,045)	(4,398,509)
	<u>\$ 35,907,517</u>	<u>\$ 27,681,487</u>	<u>\$ 9,771,635</u>	<u>\$ (1,028,811)</u>	<u>\$ (5,717,535)</u>	<u>\$ (11,978,451)</u>	<u>\$ (17,809,545)</u>	<u>\$ (16,858,622)</u>	<u>\$ (16,040,456)</u>	<u>\$ (8,722,080)</u>

Note: Fiscal year 2008 was the first year the Schools adopted GASB Statement No. 34. The governmental activities of the Schools is the primary department of the organization.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Change in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	(Restated) 2015	2014
Expenses:										
Governmental activities:										
Instructional	\$ 41,372,399	\$ 40,040,318	\$ 37,718,145	\$ 37,165,827	\$ 34,986,630	\$ 34,790,175	\$ 34,240,037	\$ 30,156,746	\$ 29,193,306	\$ 33,499,296
Support services	26,857,189	25,355,564	24,154,069	20,757,959	20,828,817	21,134,627	21,335,813	22,725,143	21,344,213	19,081,808
Non-instructional	5,129,094	5,119,594	4,393,093	4,668,489	4,416,946	4,308,199	3,919,086	3,728,687	3,915,339	5,363,080
Other capital outlays	188,583	772,813	58,308	-	-	-	-	-	-	-
Internal School Fund	1,304,911	1,025,326	780,618	-	-	-	-	-	-	-
Pension expense	-	-	-	-	-	-	-	(342,633)	(120,675)	-
Interest on long-term debt	1,747,416	1,458,164	7,990,786	3,545,395	2,971,502	2,783,647	2,487,639	2,238,570	2,737,256	2,778,855
Total governmental activities expenses	76,599,592	73,771,779	75,095,019	66,137,670	63,203,895	63,016,648	61,982,575	58,506,513	57,069,439	60,723,039
Program revenues:										
Governmental activities:										
Charges for services:										
Instructional	341,101	344,829	313,071	225,678	250,092	269,261	5,348	289,396	303,813	296,773
Support services	-	-	-	-	-	-	-	18,435	16,663	21,396
Non-instructional	685,391	219,039	155,949	410,221	622,660	603,011	612,688	809,981	770,605	814,343
Operating grants and contributions:										
Instructional*	32,443,805	34,381,981	28,911,436	24,717,844	24,235,456	23,754,403	23,234,346	3,588,921	3,533,592	4,040,198
Support services	695,557	1,313,881	181,169	814,030	833,727	813,856	707,487	-	-	-
Non-instructional	2,851,044	4,388,414	2,903,740	3,406,446	3,514,473	3,575,967	2,868,786	1,959,932	1,807,495	1,814,991
Internal School Fund	1,515,848	1,053,980	730,330	-	-	-	-	-	-	-
Total governmental activities program revenues	38,532,746	41,702,124	33,195,695	29,574,219	29,456,408	29,016,498	27,428,655	6,666,665	6,432,168	6,987,701
Net expenses:										
Governmental activities	<u>(38,066,846)</u>	<u>(32,069,655)</u>	<u>(41,899,324)</u>	<u>(36,563,451)</u>	<u>(33,747,487)</u>	<u>(34,000,150)</u>	<u>(34,553,920)</u>	<u>(51,839,848)</u>	<u>(50,637,271)</u>	<u>(53,735,338)</u>
General revenues and other changes in net position:										
General revenues:										
Property taxes	12,532,336	12,607,917	11,702,900	11,445,587	10,592,827	10,393,227	10,520,679	10,085,357	9,066,034	9,191,611
Local options sales and mineral severance taxes	9,116,166	8,714,780	8,118,003	7,094,673	5,879,572	5,213,462	4,711,919	4,568,039	4,304,972	4,854,957
Mixed drink taxes	385	318	278	192	162	174	140	87	273	5,649
Other local sources	-	-	-	-	-	-	-	1,310,914	467,368	331,846
State of Tennessee - BEP	-	-	-	-	-	-	-	19,491,000	19,043,000	18,855,000
Federal government - unrestricted*	-	-	-	-	-	-	-	51,639	33,355	47,176
Investment income (loss)	616,490	68,824	92,158	136,533	183,638	94,856	40,311	18,601	461	13,664
Investment income (loss) - change in fair market value of swaps	-	-	8,617,220	(2,265,857)	(1,479,459)	995,446	1,967,643	(2,397,961)	(882,448)	(438,257)
Gain (loss) on sale and disposal of capital assets	(21,516)	-	-	-	-	-	(1)	(146)	5,926	28,074
Pension income	-	5,548,592	-	-	654,313	9,458	36,486	-	-	-
Contributions	134,887	12,868	228,094	110,458	104,927	104,310	205,350	-	-	-
OPEB income	343,514	359,914	300,817	-	-	-	-	-	-	-
Miscellaneous	808,130	414,164	359,861	380,465	519,818	443,984	494,966	-	-	-
Payments from component unit	-	-	-	-	-	-	-	63,271	80,044	66,756
Transfers from the City general fund	15,493,963	15,493,963	15,493,963	15,493,963	15,493,963	15,493,963	15,493,963	14,955,915	14,629,302	14,112,832
Transfer from the Schools general purpose school fund to the City debt service fund	(637,205)	(707,205)	(45,374,079)	(16,245,110)	(8,547,713)	-	-	-	-	-
Transfers from the equipment rental and replacement fund	-	-	-	-	-	-	-	(876,826)	286,194	222,314
Transfers from the City capital projects fund	7,731,418	6,080,087	349,289	4,854,012	9,626,477	564,276	57,715	335,410	-	-
Transfers from the City debt service fund	174,306	1,385,285	51,691,813	20,247,261	6,979,878	6,652,469	6,452,176	4,875,846	4,845,347	4,273,327
Total governmental activities	46,292,876	49,979,507	51,580,317	41,252,175	40,008,403	39,965,625	39,981,347	52,481,146	51,879,828	51,564,949
Change in governmental activities net position	\$ 8,226,030	\$ 17,909,852	\$ 9,680,993	\$ 4,688,724	\$ 6,260,916	\$ 5,965,475	\$ 5,427,427	\$ 641,298	\$ 1,242,557	\$ (2,170,389)

Note: Fiscal year 2008 was the first year the Schools adopted GASB Statement No. 34.

* Beginning in fiscal year 2017, Basic Education Program funds are reported in Operating grants and contributions. Basic Education Program funds were previously reported as Instructional revenues and are no longer a separate line item under General revenues.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	General Purpose School Fund				All Other Government Funds			
	Non-Spendable	Restricted	Unrestricted (A)	Total	Non-Spendable	Restricted	Unrestricted (A)	Total
2014	\$ 71,362	\$ 52,669	\$ 5,534,857	\$ 5,658,888	\$ 1,777	\$ 246,290	\$ 15,368	\$ 263,435
2015	87,814	18,295	5,900,231	6,006,340	-	121,476	18,080	139,556
2016	73,867	(1,724)	6,930,925	7,003,068	-	278,213	58,254	336,467
2017	96,315	(7,883)	7,207,146	7,295,578	-	437,210	103,621	540,831
2018	112,824	2,578,271	7,837,033	10,528,128 *	43,195	624,821	101,217	769,233
2019	88,368	4,431,644	8,482,440	13,002,452 **	27,365	783,861	88,759	899,985
2020	41,429	3,695,684	9,980,665	13,717,778 ***	28,909	932,244	75,957	1,037,110
2021	2,115	2,027,107	11,654,847	13,684,069 ****	39,863	2,124,768	98,303	2,262,934
2022	5,400	1,426,168	15,336,354	16,767,922 *****	27,669	3,022,555	147,838	3,198,062
2023	594,622	1,226,463	15,259,631	17,080,716 *****	18,827	3,390,546	223,533	3,632,906

Note: (A) Unrestricted fund balance includes committed, assigned, and unassigned amounts.

* Includes unspent bond proceeds of \$2,575,267.

** Includes unspent bond proceeds of \$4,320,986.

*** Includes unspent bond proceeds of \$3,458,913.

**** Includes unspent bond proceeds of \$1,574,367.

***** Includes unspent bond proceeds of \$836,534.

***** Includes unspent bond proceeds of \$457,764.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Local taxes	\$ 21,648,887	\$ 21,323,015	\$ 19,821,180	\$ 18,540,452	\$ 16,472,561	\$ 15,606,862	\$ 15,232,737	\$ 14,653,483	\$ 13,371,279	\$ 14,052,217
Charges for services	1,405,688	888,294	700,478	909,659	1,161,953	1,142,086	1,112,544	1,099,377	1,074,418	1,111,116
Other local sources	826,874	141,432	367,897	349,569	446,670	355,932	428,331	108,410	182,835	179,589
State of Tennessee - BEP	25,186,985	23,708,368	23,279,248	22,869,340	22,210,310	21,413,738	20,286,000	19,491,000	19,043,000	20,229,863
State of Tennessee - Other	1,697,430	1,368,788	1,185,950	980,518	1,051,170	1,089,604	936,791	831,777	895,440	-
State of TN - On-behalf payments	-	-	-	-	-	-	-	-	170,285	172,409
Federal government	9,028,662	14,922,571	7,464,559	5,483,217	5,326,296	5,255,766	5,237,683	4,922,293	4,477,066	4,439,807
Other local revenues	1,515,848	1,053,980	730,330	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	1,511,253	-	-
SRT investment income	45,373	27,883	73,380	-	-	-	-	-	-	-
Other	385,393	86,665	73,967	-	68,395	152,686	167,933	1,075,597	202,356	171,518
Total revenues	61,741,140	63,520,996	53,696,989	49,132,755	46,737,355	45,016,674	43,402,019	43,693,190	39,416,679	40,356,519
Expenditures:										
Instructional	39,386,970	39,194,042	36,421,605	34,470,126	33,532,008	33,013,509	32,479,204	33,538,970	30,936,574	30,396,647
Support services	27,155,342	25,733,060	24,532,122	22,841,155	22,260,854	21,353,498	21,375,087	19,461,674	18,418,123	18,439,716
Non-instructional	6,667,657	6,331,221	5,641,357	4,839,309	4,607,230	4,366,070	3,903,789	3,781,123	3,900,739	3,875,556
Capital outlays	2,808,512	9,110,536	2,585,290	5,615,616	8,427,627	4,907,084	273,743	299,801	141,403	1,698,895
Debt service - principal	5,451,144	5,084,641	4,561,884	4,412,234	4,596,075	4,467,419	4,284,200	21,948,400	2,416,180	1,790,488
Debt service - interest	2,286,361	2,200,845	2,043,055	2,894,861	2,808,803	2,610,050	2,592,976	2,719,800	2,854,736	2,913,179
Other	-	-	-	-	-	-	-	-	-	-
Total expenditures	83,755,986	87,654,145	75,785,313	75,073,301	76,232,597	70,717,630	64,908,999	81,749,768	58,667,755	59,114,481
Excess (deficiency) of revenues over expenditures	(22,014,846)	(24,133,149)	(22,088,324)	(25,940,546)	(29,495,242)	(25,700,956)	(21,506,980)	(38,056,578)	(19,251,076)	(18,757,962)
Other financing sources (uses):										
Transfers in - from City	23,399,689	22,959,335	22,448,191	24,350,126	23,552,605	22,710,708	22,003,854	39,186,566	19,474,649	18,386,159
Current refunding of bonds	-	-	-	-	-	-	-	-	-	(307,573)
Contribution from City - debt	-	-	9,088	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	306,653
Premium of refunding bonds issued	-	463,766	4,632,786	-	-	-	-	-	-	8,179
General obligation bonds issued	-	-	-	-	-	-	-	-	-	(2,568)
Cost of issuance	-	(46,513)	(269,741)	-	-	-	-	-	-	-
Underwriter's discount	-	(37,253)	(238,295)	-	-	-	-	-	-	-
Transfers in - other funds	325,705	405,927	219,815	200,112	194,482	221,313	172,672	63,651	-	-
Transfers out - other funds	(325,705)	(405,927)	(219,815)	(200,112)	(194,482)	(221,313)	(172,672)	-	-	-
Transfer out - City for debt service	(637,205)	(707,205)	(287,205)	-	-	-	-	-	-	-
Bond refunding	-	-	(38,924,088)	(13,802,239)	-	-	-	-	-	-
Bond proceeds	-	5,520,000	40,445,000	16,245,110	8,547,713	6,413,196	-	-	-	-
Swap termination fees	-	-	(5,654,750)	-	-	-	-	-	-	-
Capitalized lease proceeds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	22,762,484	28,152,130	22,160,986	26,792,997	32,100,318	29,123,904	22,003,854	39,250,217	19,474,649	18,390,850
Net change in fund balances	747,638	4,018,981	72,662	852,451	2,605,076	3,422,948	496,874	1,193,639	223,573	(367,112)
Fund balance, beginning, as previously stated	19,965,984	15,947,003	14,754,888	13,902,437	11,297,361	7,836,409	7,339,535	6,145,896	5,922,323	6,289,435
Prior period adjustment	-	-	1,119,453	-	-	38,004	-	-	-	-
Fund balance, beginning, as restated	19,965,984	15,947,003	15,874,341	13,902,437	11,297,361	7,874,413	7,339,535	6,145,896	5,922,323	6,289,435
Fund balance, ending	\$ 20,713,622	\$ 19,965,984	\$ 15,947,003	\$ 14,754,888	\$ 13,902,437	\$ 11,297,361	\$ 7,836,409	\$ 7,339,535	\$ 6,145,896	\$ 5,922,323

Note: Includes General Purpose School Fund, School Federal Projects Fund, Other Education Special Revenue Fund, Extended School Program Fund, and Cafeteria Fund (Governmental Funds).

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Local Tax Revenues by Source of All Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Local Option Sales Tax</u>	<u>Mineral Severance Tax</u>	<u>Mixed Drink Tax</u>	<u>Total</u>
2014	\$ 9,191,611	\$ 4,854,777	\$ 180	\$ 5,649	\$ 14,052,217
2015	9,066,034	4,340,972	-	273	13,407,279
2016	10,085,357	4,568,039	-	87	14,653,483
2017	10,520,679	4,711,403	515	140	15,232,737
2018	10,393,227	5,213,462	43	174	15,606,906
2019	10,592,827	5,879,500	72	162	16,472,561
2020	11,445,587	7,094,673	-	192	18,540,452
2021	11,702,900	8,117,997	5	278	19,821,180
2022	12,607,917	8,714,780	-	318	21,323,015
2023	12,532,336	9,116,166	-	385	21,648,887

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Appraised and Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Tax Year	Real Property (1a)		Personal Property (1b)		Public Utility Property (1c)		Total		(2)	Ratio of Total
		Appraised Value	Assessed Value	Appraised Value	Assessed Value	Appraised Value	Assessed Value	Appraised Value	Assessed Value	Total Direct Tax Rate In/Out	Assessed to Total Appraised Value
Anderson County											
2023	2022	\$ 8,467,597,550	\$ 1,761,495,615	\$ 881,517,606	\$ 200,879,898	\$ 86,191,638	\$ 37,622,650	\$ 9,435,306,794	\$ 1,999,998,163	2.31/2.46	21.20%
2022	2021	6,065,575,600	1,730,977,510	850,359,447	255,502,989	112,559,022	49,132,013	7,028,494,069	2,035,612,512	2.31/2.46	28.96%
2021	2020	5,968,029,500	1,703,450,615	795,652,036	238,695,721	80,961,689	44,528,929	6,844,643,225	1,986,675,265	2.31/2.69	29.03%
2020	2019	5,883,757,907	1,679,670,564	727,543,307	194,730,039	69,487,060	38,217,883	6,680,788,274	1,912,618,486	2.56/2.69	28.63%
2019	2018	5,085,896,000	1,638,277,474	608,890,153	174,652,889	71,503,836	39,327,110	5,766,289,989	1,852,257,473	2.54/2.59	32.12%
2018	2017	5,083,535,000	1,462,664,725	609,152,390	174,726,476	72,272,218	39,749,720	5,764,959,608	1,677,140,921	2.52/2.59	29.09%
2017	2016	5,033,206,000	1,447,855,685	565,160,540	161,601,506	83,899,584	46,144,771	5,682,266,124	1,655,601,962	2.52/2.59	29.14%
2016	2015	4,983,179,900	1,432,911,060	523,996,186	157,198,953	83,780,171	46,079,094	5,590,956,257	1,636,189,107	2.35/2.53	29.26%
2015	2014	5,163,144,200	1,468,938,710	451,860,673	135,558,025	79,575,664	43,766,615	5,694,580,537	1,648,263,350	2.35/2.53	28.94%
2014	2013	5,158,438,800	1,466,353,110	467,797,674	140,339,403	74,311,255	40,871,190	5,700,547,729	1,647,563,703	2.35/2.53	28.90%
2013	2012	5,112,843,800	1,449,714,920	430,114,371	129,034,404	79,795,604	43,887,582	5,622,753,775	1,622,636,906	2.38/2.53	28.86%
Roane County											
2023	2022	\$ 6,890,579,046	\$ 1,368,733,955	\$ 241,461,571	\$ 54,774,514	\$ 76,066,653	\$ 33,203,094	\$ 7,208,107,270	\$ 1,456,711,563	2.31/2.34	20.21%
2022	2021	4,883,799,900	1,325,419,095	226,831,194	68,049,488	99,552,630	43,454,723	5,210,183,724	1,436,923,306	2.31/2.28	27.58%
2021	2020	5,247,562,500	1,311,890,625	278,542,350	83,562,705	76,953,136	42,324,225	5,603,057,986	1,437,777,555	2.26/2.31	25.66%
2020	2019	4,730,728,120	1,182,682,030	275,139,257	82,541,777	94,731,593	37,892,637	5,100,598,970	1,303,116,444	2.45/2.56	25.55%
2019	2018	4,594,840,586	1,164,831,990	192,885,053	57,462,292	93,267,487	40,711,258	4,880,993,126	1,263,005,540	2.52/2.35	25.88%
2018	2017	4,569,702,257	1,158,529,680	187,945,813	56,030,910	94,150,564	41,096,721	4,851,798,634	1,255,657,311	2.54/2.35	25.88%
2017	2016	4,609,054,400	1,157,943,685	196,316,395	60,878,733	166,869,205	72,838,408	4,972,240,000	1,291,660,826	2.35/2.52	25.98%
2016	2015	4,505,746,911	1,157,867,504	174,165,177	52,249,553	97,149,897	42,405,930	4,777,061,985	1,252,522,987	1.97/2.18	26.22%
2015	2014	4,438,600,400	1,206,929,570	176,732,327	53,019,698	76,611,695	42,136,432	4,691,944,421	1,302,085,700	1.97/2.18	27.75%
2014	2013	4,438,610,300	1,206,934,925	176,714,484	53,014,418	69,235,187	38,079,353	4,684,559,971	1,298,028,696	1.97/2.18	27.71%
2013	2012	4,379,144,400	1,186,869,930	243,147,371	72,944,304	71,935,962	39,564,779	4,694,227,733	1,299,379,013	1.97/2.18	27.68%

Notes: (1) Assessment Rates are set by Tennessee State Law as follows:
(a) Real Property: Residential and Farm at 25 percent of value
Commercial and Industrial at 40 percent of value
(b) Personal Property at 30 percent of value
(c) Railroads at 40 percent of value and other Public Utilities at 55 percent of value

(2) "In" means inside the City of Oak Ridge. "Out" means outside the City of Oak Ridge's corporate limits or county-wide (County tax).

Sources: 2018 Tax Aggregate Report of Tennessee provided by the Tennessee Comptroller Treasury, Division of Property Assessments.
Anderson County, Tennessee, Finance Department
Roane County, Tennessee, Finance Department

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City of Oak Ridge</u>	<u>Anderson County</u>	<u>Roane County</u>
2023	\$2.31	\$2.46	\$2.34
2022	2.31	2.46	2.28
2021	2.31 (1)	2.46 (1)	2.26 (1)
2020	2.56	2.69	2.45
2019	2.54	2.59	2.35
2018	2.52	2.59	2.35
2017	2.52	2.59	2.35
2016	2.52 (1)	2.59 (1)	2.35 (1)
2015	2.39	2.53	1.97
2014	2.39	2.35	1.97

Notes: The City of Oak Ridge is located in two Tennessee Counties: Anderson and Roane.

Overlapping rates are those of county governments that apply to property owners within the City of Oak Ridge. Approximately 16.3% of the taxable parcels (2,161 of 13,279) are located in the Roane County portion of the City.

The City's basic property tax rate may be increased only by a majority vote of the Oak Ridge City Council.

The City's base tax rate is the total direct rate.

- (1) Each governmental unit operates under different property tax assessment rolls which were certified at the time of their most recent reappraisal programs (Oak Ridge, Anderson County and Roane County - 2015 (fiscal year 2016) and 2020 (fiscal year 2021)).

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Principal Property Taxpayers
Current Tax Year and Nine Years Ago

Taxpayer	Type of Business	Tax Year 2023		Percentage of Total Assessed Value	Tax Year 2014		Percentage of Total Assessed Value
		Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
UT-Battelle (ORNL)	Management Contractor (ORNL)	\$ 41,528,079	1	4.33%	\$ 44,228,213	1	5.44%
Oak Ridge Projects LLC	Real Estate Developer	36,320,839	2	3.79%	36,615,687	2	4.50%
R&R Properties/Richard Chinn	Property Management	12,299,200	3	1.28%	12,224,583	5	1.50%
TN Oak Ridge Rutgers, LLC	Real Estate Developer	12,036,520	4	1.26%	-	-	-
Methodist Medical Center	Health Services	9,622,320	5	1.00%	10,456,410	6	1.29%
Oak Ridge Tech Center	Office Complex	8,074,440	6	0.84%	13,386,915	3	1.65%
Oak Ridge Corp Partners							
Oak Ridge Properties LLC (Wilkinson Realty)	Apartment Complexes	7,616,440	7	0.79%	8,217,604	7	1.01%
The Kroger Company	Grocery	6,648,955	8	0.69%	-	-	-
Centrus Energy Corp	Nuclear Power	6,276,341	9	0.65%	-	-	-
NPP-Oak Ridge, LLC	Apartment Complex	6,197,073	10	0.65%	-	-	-
Scientific Ecology Group (GTS Duratek)	Environmental Services	-	-	-	12,805,030	4	1.58%
BellSouth	Communications	-	-	-	6,228,130	8	0.77%
A & M Enterprises	Apartment Complexes	-	-	-	5,757,280	9	0.71%
Advanced Measurement	Manufacturing and Services	-	-	-	4,861,672	10	0.60%
		<u>\$ 146,620,207</u>		<u>15.28%</u>	<u>\$ 154,781,524</u>		<u>19.05%</u>

Source: City Finance Department

Note: Does not include in-lieu of tax payments.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date		Uncollected Taxes to Date	
			Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy	Amount	Percentage of Levy
Anderson County									
2023	2022	\$ 50,865,165	\$ 49,133,476	96.60%	\$ -	\$ 49,133,476	96.60%	\$ 1,731,689	3.40%
2022	2021	52,113,017	50,160,401	96.25%	-	50,160,401	96.25%	1,952,616	3.75%
2021	2020	50,869,848	47,902,030	94.17%	15,212	47,917,242	94.20%	2,952,606	5.80%
2020	2019	48,091,880	45,879,445	95.40%	2,644,210	48,523,655	100.90%	(431,775)	-0.90%
2019	2018	45,375,560	42,314,423	93.25%	2,047,708	44,362,131	97.77%	1,013,429	2.23%
2018	2017	44,517,403	42,113,903	94.60%	2,974,694	45,088,597	101.28%	(571,194)	-1.28%
2017	2016	44,203,194	41,919,681	94.83%	2,290,199	44,209,880	100.02%	(6,686)	-0.02%
2016	2015	42,877,374	40,768,406	95.08%	2,178,316	42,946,722	100.16%	(69,348)	-0.16%
2015	2014	40,044,880	37,953,500	94.78%	2,004,496	39,957,996	99.78%	86,884	0.22%
2014	2013	40,226,997	37,697,807	93.71%	1,928,243	39,626,050	98.51%	600,947	1.49%
City of Oak Ridge									
2023	2022	\$ 22,228,926	\$ 21,271,131	95.69%	\$ -	\$ 21,271,131	95.69%	\$ 957,795	4.31%
2022	2021	22,133,006	21,511,750	97.19%	382,583	21,894,333	98.92%	238,673	1.08%
2021	2020	21,773,441	20,987,903	96.39%	685,685	21,673,588	99.54%	99,853	0.46%
2020	2019	21,869,529	21,088,802	96.43%	710,146	21,798,948	99.68%	70,581	0.32%
2019	2018	20,681,132	19,877,576	96.11%	737,963	20,615,539	99.68%	65,593	0.32%
2018	2017	20,201,303	19,596,550	97.01%	536,481	20,133,031	99.66%	68,272	0.34%
2017	2016	20,007,493	19,527,803	97.60%	472,522	20,000,325	99.96%	7,168	0.04%
2016	2015	19,984,133	19,129,012	95.72%	849,488	19,978,500	99.97%	5,633	0.03%
2015	2014	19,737,081	19,128,736	96.92%	599,775	19,728,511	99.96%	8,570	0.04%
2014	2013	19,461,911	18,853,042	96.87%	604,394	19,457,436	99.98%	4,475	0.02%

- Notes: (1) Collections in subsequent years include amounts collected by the Trustee's Office after June 30 of each year and amounts collected by the Clerk and Master in Chancery Court.
(2) Source is the Anderson County, Tennessee Finance Department.
(3) On September 20, 2004, City Council authorized the Anderson County Delinquent Tax Attorney to collect City of Oak Ridge delinquent real property taxes in consolidation with the collection of Anderson County delinquent taxes. As real property becomes eligible for a delinquent property tax sale under Tennessee State law, the City is turning those delinquencies over to the Anderson County Delinquent Tax Attorney for collection.
(4) Roane County information is not available.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Direct and Overlapping Local Option Sales Tax Rates
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Direct Rate</u>	<u>Overlapping Rates</u>	
	<u>City of Oak Ridge</u>	<u>Anderson County</u>	<u>Roane County</u>
2014	2.75	2.75	2.50
2015	2.75	2.75	2.50
2016	2.75	2.75	2.50
2017	2.75	2.75	2.50
2018	2.75	2.75	2.50
2019	2.75	2.75	2.50
2020	2.75	2.75	2.50
2021	2.75	2.75	2.50
2022	2.75	2.75	2.50
2023	2.75	2.75	2.50

Sources: City of Oak Ridge Finance Department and Tennessee Department of Revenue

Note: The sales tax rates may be changed by a vote of the Oak Ridge City Council, Anderson County Commission, Roane County Commission or by voter referendum

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds (1)	QZAB Bonds (1)	Notes Payable	Capitalized Outlay Obligations	Capitalized Lease Obligations	Total Outstanding Debt	Debt Per Capita
2023	\$ 60,495,072	\$ -	\$ 5,452,288	\$ 2,190,910	\$ -	\$ 68,138,270	\$ 2,170
2022	64,094,571	-	7,052,288	2,436,634	-	73,583,493	2,343
2021	62,945,936	-	7,522,288	2,679,910	-	73,148,134	2,329
2020	39,326,625	509,419	33,432,288	2,920,774	-	76,189,106	2,598
2019	41,124,149	1,018,837	33,507,288	2,508,196	-	78,158,470	2,665
2018	36,251,337	1,528,255	33,507,288	2,508,196	411,754	74,206,830	2,530
2017	35,905,414	2,037,674	33,507,288	-	810,677	72,261,053	2,463
2016	32,913,206	2,547,093	33,507,287	-	1,199,318	70,166,904	2,392
2015	16,353,940	3,056,510	52,487,288	-	121,313	72,019,051	2,455
2014	17,455,229	3,565,929	52,882,287	-	531,707	74,435,152	2,538

- Notes: (1) Does not include unamortized bond discounts and premiums.
(2) FY 2008 is the first year the Schools adopted GASB Statement No. 34.
(3) Per Capita after FY 2009 is based upon the 2010 census population of 29,330, and per Capita after FY 2019 is based upon the 2020 census population of 31,402.
(4) Personal Income information not available.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Estimated Actual Taxable Appraised Value of Property</u>	<u>Debt Per Capita</u>
2023	\$60,495,072	0.64%	\$ 1,926
2022	64,094,571	0.91%	2,041
2021	62,945,936	0.92%	2,005
2020	39,326,625	0.53%	1,252
2019	41,124,149	0.61%	1,402
2018	36,251,337	0.55%	1,236
2017	35,905,414	0.58%	1,224
2016	32,913,206	0.54%	1,122
2015	16,353,940	0.29%	558
2014	17,455,229	0.30%	595

- Notes: (1) FY 2008 is the first year the Schools adopted GASB Statement No. 34.
 (2) Per Capita after FY 2009 is based upon the 2010 census population of 29,330 and per Capita after FY 2019 is based upon the 2020 census population of 31,402.
 (3) See the Schedule of Appraised and Assessed Value of Taxable Property.
 (4) Property Values are for Anderson County Only.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Demographic Statistics
1980, 1990 and 2000 Census Year Information and Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>Personal Income</u>	<u>(2) Per Capita Income</u>	<u>(2) Median Age</u>	<u>(2) Unemployment Rate</u>	<u>School Enrollment (4)</u>
1980	27,662	\$ 255,707,528	\$ 9,244 (1)	35.0 (1)	5.4% (1)	5,274
1990	27,310	482,321,910	17,661 (1)	39.6 (1)	4.9% (1)	4,432
2000	27,387	679,005,891	24,793 (1)	43.4 (1)	3.2% (1)	4,491
2013	29,330	942,431,560	32,132	43.2	7.4%	4,687
2014	29,330	923,631,030	31,491	43.1	7.0%	4,689
2015	29,330	931,931,420	31,774	43.2	5.7%	4,637
2016	29,330	919,700,810	31,357	43.2	4.7%	4,660
2017	29,330	928,910,430	31,671	42.3	4.8%	4,592
2018	29,330	952,051,800	32,460	40.7	4.2%	4,631
2019	29,330	987,277,130	33,661	41.3	4.0%	4,679
2020	31,402	1,009,888,320	32,160 (1)	39.3	8.4%	4,820
2021	31,402	1,084,813,492	34,546	39.5	5.2%	4,628
2022	31,402	(3)	(3)	(3)	3.8%	4,811
2023	31,402	(3)	(3)	(3)	3.9%	4,873

(1) Source: U.S. Census Bureau. Statistic is for the City of Oak Ridge.

(2) Source: East Tennessee Development District/Bureau of Economic Analysis and Tennessee Department of Labor and Workforce Development. Statistic is for Anderson County. Information is maintained on a county basis and is unavailable for the City of Oak Ridge as a separate entity in a non-census year. The City comprises approximately 38% of Anderson County.

(3) Data Not Available

(4) Source: Oak Ridge Schools

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Principal Employers
Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Consolidated Nuclear Services (CNS) (Y-12)	5,676	1	16.50%	N/A	N/A	N/A
UT-Battelle (ORNL)	5,405	2	15.71%	4,400	2	12.55%
UCOR	1,167	3	3.39%	1,383	4	3.95%
Oak Ridge Schools	876	4	2.55%	649	6	1.85%
Methodist Medical Center	819	5	2.38%	1,175	3	3.35%
Leidos	577	6	1.68%	N/A	N/A	N/A
Oak Ridge Associated Universities	482	7	1.40%	549	8	1.57%
ORNL Federal Credit Union	466	8	1.35%	412	10	1.18%
City of Oak Ridge	417	9	1.21%	N/A	N/A	N/A
Science Applications Int'l Corp. (SAIC)	399	10	1.16%	546	9	1.56%
Energy Solutions (AKA Duratek, Scientific Ecology Group, Inc.)	N/A	N/A	N/A	625	7	1.78%
BWXT Y-12	N/A	N/A	N/A	4,500	1	12.84%
Sitel (Client Logic)	N/A	N/A	N/A	700	5	2.00%
	<u>16,284</u>		<u>47.33%</u>	<u>14,939</u>		<u>42.63%</u>

Source: Oak Ridge Chamber of Commerce, Tennessee Department of Labor and Workforce Development and Oak Ridge Schools

Notes: The City of Oak Ridge resides in two counties, Anderson and Roane. For the Percentage of Total City Employment, Anderson County's Civilian Workforce was used.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Full-Time Equivalent School Employees
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Teachers</u>	<u>Non-Teachers</u>	<u>Total</u>
2014	411.48	237.60	649.08
2015	409.48	242.10	651.58
2016	405.88	246.68	652.56
2017	399.63	260.76	660.39
2018	398.68	264.26	662.94
2019	399.28	268.05	667.33
2020	380.68	289.10	669.78
2021	390.86	279.35	670.21
2022	392.78	287.65	680.43
2023	410.27	295.80	706.07

Source: All numbers taken from appendices of Board of Education approved budgets.

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Enrollment, Membership, and Attendance Data
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Enrollment (A)	4,671	4,637	4,660	4,592	4,631	4,679	4,820	4,628	4,811	4,873
Average Daily Membership (A)	4,464	4,389	4,403	4,383	4,400	4,446	4,531	4,469	4,541	4,688
Average Daily Attendance (A)	4,212	4,173	4,189	4,193	4,182	4,238	4,383	4,268	4,348	4,461
Teacher/Pupil Ratio (B)	11.0	12.5	11.5	11.5	11.8	11.7	12.7	11.8	12.3	11.8
Number Graduating (B)	317	293	315	310	279	289	350	386	328	372
Avg. Test Scores (ACT) (B)	23.3	23.1	23.1	22.9	23.3	21.4	22.7	22.7	21.8	21.4
Number of Graduated Going to College (B)	281	278	231	273	247	215	245	220	261	289
Number of Free and Reduced Students (C)	1,996	2,308	2,573	2,341	2,253	2,268	2,347	1,945	1,845	1,975
Number of Student Meals Served (Lunch) (C)	358,029	673,108	352,915	381,713	361,977	376,161	388,122	280,426	469,015	249,389

Sources of Information:

- (A) Technology Department
- (B) Instructional Coordinator
- (C) Food Service Director

See independent auditor's report.

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Capital Assets Statistics by Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary Schools	4	4	4	4	4	4	4	4	4	4
Middle Schools	2	2	2	2	2	2	2	2	2	2
High Schools	1	1	1	1	1	1	1	1	1	1
Football Fields	3	3	3	3	3	3	3	3	3	3
Soccer Fields	1	1	1	1	1	1	1	1	1	1
Track Fields	3	3	3	3	3	3	3	3	3	3
Buses	30	29	29	27	20	18	7	6	6	6

See independent auditor's report.

INTERNAL CONTROL AND COMPLIANCE SECTION

BROWN JAKE & McDANIEL, PC

CERTIFIED PUBLIC ACCOUNTANTS
2607 KINGSTON PIKE, SUITE 110
KNOXVILLE, TENNESSEE 37919-3336
865/637-8600 • fax: 865/637-8601
www.bjmpc.com

JOE L. BROWN, CPA, CGFM, CGMA
FRANK D. McDANIEL, CPA, CGFM, CGMA
TERRY L. MOATS, CPA, CGFM, CGMA
JAMES E. BOOHER, CPA, CGMA
HALEY S. SLAGLE, CPA, CGMA

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education
Oak Ridge Schools
Oak Ridge, Tennessee

We have audited, in accordance with the 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 financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Oak Ridge Schools (the Schools), Oak Ridge, Tennessee, a special revenue fund of the City of Oak Ridge, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Schools' basic financial statements, and have issued our report thereon dated December 12, 2023. Our report includes a reference to other auditors who audited the financial statements of the Oak Ridge Public Schools Education Foundation, Inc. (the Foundation), a discretely presented component unit, as described in our report on the Schools' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Schools' internal control over financial reporting (internal control) as basis for designing to audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Schools' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown Lake & McDaniel PC
CERTIFIED PUBLIC ACCOUNTANTS

Knoxville, Tennessee
December 12, 2023

BROWN JAKE & McDANIEL, PC

CERTIFIED PUBLIC ACCOUNTANTS
2607 KINGSTON PIKE, SUITE 110
KNOXVILLE, TENNESSEE 37919-3336
865/637-8600 • fax: 865/637-8601
www.bjmpc.com

JOE L. BROWN, CPA, CGFM, CGMA
FRANK D. McDANIEL, CPA, CGFM, CGMA
TERRY L. MOATS, CPA, CGFM, CGMA
JAMES E. BOOHER, CPA, CGMA
HALEY S. SLAGLE, CPA, CGMA

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Oak Ridge Schools
Oak Ridge, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Oak Ridge Schools (the Schools), Oak Ridge, Tennessee's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Schools' major federal programs for the year ended June 30, 2023. The Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of

laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Schools' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charges with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be a material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be

material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brown Lake + McDaniel, PC
CERTIFIED PUBLIC ACCOUNTANTS

Knoxville, Tennessee
December 12, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

ACCOMPANYING SCHEDULE OF FINDINGS AND QUESTIONED COSTS

I. SUMMARY OF AUDITOR'S RESULTS

A. An unmodified opinion was issued on the basic financial statements of Oak Ridge Schools for the year ended June 30, 2023.

B. Internal control over financial reporting:

Material weakness(es) identified? ____ yes X no

Significant deficiency(ies) identified
that are not considered to be
material weakness(es)? ____ yes X none reported

C. Our audit disclosed no instances of noncompliance considered by us to be material to the financial statements.

D. Internal control over major programs:

Material weakness(es) identified? ____ yes X no

Significant deficiency(ies)) identified
that are not considered to be
material weakness(es)? ____ yes X none reported

E. An unmodified opinion was issued for compliance for Oak Ridge Schools' major programs.

F. The audit disclosed no audit findings requiring reporting under Section .510(a).

G. We identified the following major federal assistance programs:

84.027 – Special Education – Grants to States (IDEA, Part B)
84.173 – Special Education – Preschool Grants (IDEA Preschool)
84.425 – Elementary and Secondary School Emergency Relief Fund Cluster

H. The threshold for distinguishing between Type A and Type B programs was \$750,000.

I. The auditee was determined to be a low risk auditee.

II. SUMMARY OF FINDINGS REPORTED AT THE FINANCIAL STATEMENT LEVEL

None

III. SUMMARY OF FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OAK RIDGE SCHOOLS
OAK RIDGE, TENNESSEE

Summary Schedule of Prior Audit Findings

There were no prior year findings.