

Oxford Community Schools

Financial Statements

June 30, 2019



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Oxford Community Schools
Members of the Board of Education and Administration
June 30, 2019

Members of the Board of Education

Thomas Donnelly – President

Dan D'Alessandro – Vice-President

Heather Shafer – Secretary

Korey Bailey - Treasurer

Erick Foster – Trustee

Chad Griffith – Trustee

Mary Hanser – Trustee

Administration

Tim Throne – Superintendent

Sam Barna – Assistant Superintendent of Business & Operations



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Independent Auditors' Report

Management and the Board of Education
Oxford Community Schools
Oxford, Michigan

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Deficit Fund Balance

The School District has an accumulated unassigned deficit in the Community Services Fund of \$125,239 as of June 30, 2019, which has resulted from operating deficits. The deficit is disclosed in Note 2. Our opinions are not modified with respect to this matter.

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oxford Community Schools' basic financial statements. Other supplementary information, as identified in the table of contents, is presented for purpose of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Continuing Disclosures, as identified in the table of contents, which is the responsibility of management, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2019, our consideration of Oxford Community 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 School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oxford Community Schools' internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Auburn Hills, Michigan
September 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2019

The Oxford Community Schools (the "School District") is located in Oakland and Lapeer Counties approximately 40 miles north of the city of Detroit. It is an independent school district governed by a seven-member elected Board of Education. Revenue is substantially determined by the State's funding formula. There are three K-5 elementary schools, one pre-K-2 elementary school, one 3-5 elementary school, one 6-8 middle school, one 9-12 high school, one alternative high school, a child care center, a virtual academy, an administration office, and maintenance and transportation facilities.

This section of the 2019 annual financial report presents our discussion and analysis of the Oxford Community School's financial performance during the fiscal year ended June 30, 2019. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. The district-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements provide information about the School District's most significant (major) funds. The General Fund, containing the primary activity of the School District, is always considered a major fund. The 2018b Debt Service Fund, the 2018 Sinking Fund and 2018 Capital Projects Fund are all large enough to be considered major funds as well. All other governmental funds presented are in one column as non-major funds because they are not material enough to be considered major. The statement of fiduciary assets and liabilities presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents.

Financial Section

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Oxford Community Schools
Management's Discussion and Analysis
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District-Wide Financial Statements

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

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

The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District’s services, including instruction, support services, community education, athletics, and food services. Property taxes, unrestricted State aid (foundation allowance revenue), State and Federal grants, and charges for services finance these activities.

Fund Financial Statements

The School District’s fund financial statements provide detailed information about the most significant funds - not the School District as a whole. Some funds are required to be established by State law and by bond covenants. However, the School District establishes other funds to help it control and manage money for particular purposes (the Food Services and Community Services Funds are examples) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects).

All of the School District’s services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps you determine

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2019

whether there is growth or decline of available financial resources that can be spent in the near future for the School District's programs. The relationship between governmental activities and governmental funds is illustrated in a reconciliation included in the financial section on page 4-6.

Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for its student activity funds. All of the School District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities on page 4-10. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2019

The School District as a Whole

Summary of the Statement of Net Position (in Millions)

	2019 Governmental Activities	2018 Governmental Activities
<u>Assets</u>		
Current assets	\$ 34.68	\$ 32.30
Capital assets, net book value	110.25	110.44
Total assets	<u>144.93</u>	<u>142.74</u>
<u>Deferred outflows of resources</u>		
Deferred amount on net pension liability	38.42	24.65
Deferred amount on net OPEB liability	6.13	1.94
Deferred amount on debt refunding	2.09	2.22
Total deferred outflows of resources	<u>46.64</u>	<u>28.81</u>
Total assets and deferred outflows of resources	<u>\$ 191.57</u>	<u>\$ 171.55</u>
<u>Liabilities</u>		
Current liabilities	\$ 10.11	\$ 7.11
Noncurrent liabilities	276.00	265.28
Total liabilities	<u>286.11</u>	<u>272.39</u>
<u>Deferred inflows of resources</u>		
Deferred amount on net pension liability	11.96	8.24
Deferred amount on net OPEB liability	6.30	1.00
Total deferred inflows of resources	<u>304.37</u>	<u>281.63</u>
Total liabilities and deferred inflows of resources	<u>590.48</u>	<u>554.02</u>
<u>Net Position</u>		
Invested in capital assets	(2.36)	(5.31)
Restricted	5.65	13.05
Unrestricted (deficit)	(116.08)	(117.82)
Total net position	<u>\$ (112.79)</u>	<u>\$ (110.08)</u>

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2019

The statement of net position provides the perspective of the School District as a whole. The School District's net position at the end of FY19 is negative \$112.79 million. This amount is made up of several major components, three of these components are detailed as follows:

- Capital assets, net of related debt totaling \$110.25 million, compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due, with any shortages made up by borrowings from the School Bond Revolving Fund.
- Restricted net position totaling \$5.65 million is reported separately to show legal constraints from debt covenants and funds restricted to cafeteria operations, limiting the School District's ability to use those net assets for day-to-day operations.
- The unrestricted remainder of the net position is a negative \$116.08 million. This amount represents the *cumulative* results of all past years' operations. The operating results and cash position of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

Summary of Net Activities (in Millions)

	2019	2018
	Governmental Activities	Governmental Activities
<u>Revenues</u>		
Program revenues		
Charges for services	\$ 3.43	\$ 3.42
Operating grants and contributions	15.19	14.35
General revenues		
Property taxes	15.17	13.41
State aid	45.69	41.70
Investment earnings	0.29	0.01
Other	0.29	0.45
Total revenues	<u>80.06</u>	<u>73.34</u>
<u>Expenses</u>		
Instruction	\$ 47.38	\$ 41.68
Support services	25.84	22.59
Food services	2.87	2.50
Community service	2.28	2.14
Interest on long-term debt	4.39	4.34
Total expenses	<u>82.76</u>	<u>73.25</u>
Change in net assets	<u>\$ (2.70)</u>	<u>\$ 0.09</u>

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2019

As reported in the statement of activities, the cost of all our governmental activities this year was \$82.76 million. Certain activities were partially funded by those who benefited from the programs, \$3.43 million, or by other governments and organizations that subsidized certain programs with grants and contributions, \$15.19 million. The remaining "public benefit" portion of our governmental activities was funded with \$15.17 million in taxes, \$45.69 million in State aid, and with our other revenues, i.e., interest income and general entitlements.

During FY19, the School District experienced a decrease in net assets of \$2.70 million.

As discussed above, the net cost of the activities in the District illustrates the financial impact of each of these functions on the resources of the District. Since property taxes for operations and unrestricted State aid constitute the vast majority of District operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with available resources.

The School District's Funds

As noted earlier, the School District uses funds to help it control and manage money for particular purposes. The following overview of these funds will demonstrate the School District's stewardship over the resources that taxpayers and others provide. These funds also provide more insight into the School District's overall financial health.

At the end of FY19, the governmental funds reported a combined fund balance of approximately \$25.26 million, a decrease of \$.62 million from last year.

General Fund Budgetary Highlights

Over the course of the year, the School District budget was revised to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted just before year-end. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements.

Budgeted revenues and other financing sources were increased by \$3.57 million. The most significant increases were due to the budgeting of higher state aide payments directly related to the increases in student count/FTE.

Budgeted expenditures were increased from the original adopted budget by \$3.20 million. This increase was primarily due to expected salary and benefit costs for revised staffing levels that we experienced throughout the school year.

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2019

Economic Factors and Next Year's Budget

Our elected school board members and the administration considered many factors when setting the School District's FY19 budget. One of the most important factors affecting the budget is our student count. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2018-19 school year is 90 percent and 10 percent of the October 2018 and February 2019 student counts, respectively. The FY19 budget was adopted in June 2018, based on an estimate of students that will be enrolled in September 2018. Approximately 80 percent of total General Fund revenue is from the State portion of the foundation allowance. The budget adopted for FY19 assumes a \$7,871 per student foundation allowance. Under State law, the School District cannot assess additional property tax revenue for general operations. As a result, School District funding is heavily dependent on the State's ability to fund local school operations.

The K-12 school aid bill enacted by the State increases net per pupil funding for 2019-20 by \$180/student to \$8,051. The blended student count used to formulate the FY20 budget assumes student growth of 144 FTE. However, once the final student count is validated, State law requires the School District to amend the budget if actual School District resources are not sufficient to fund original appropriations. We expect to propose at least two budget amendments during the year to reflect changes in our estimates and priorities.

2018-19 School Year

The district had two ballot proposals for the November 7, 2017 election that both passed. One of the proposals was a \$28.28 bond proposal that will be used for capital improvement needs throughout the district along with updating a portion of our transportation fleet. Capital Improvement projects include equipping elementary classrooms with air conditioning; mechanical upgrades in several schools; parking lot repaving at all schools along with sidewalk replacement; parking lot LED lighting; and new roofing at select schools. The current debt millage of 7.9 mills did not increase due to this approved bond. The bonds will be issued over the course of six years in three series. Our first bonds were sold in June, 2018 with proceeds of \$9.4 million received by the district. Over the summer of FY19 & FY20, the district embarked on upgrades to the high school and all the elementary schools using series one of these bond proceeds.

The second proposal for the district that was approved on the November 7, 2017 ballot was a five-year, \$4 million sinking fund that will cost taxpayers no more than .75 mils(subject to Headlee) each year over the next five years. The sinking fund will use \$2.6 million of the \$ 4 million total funding to fill a gap between the total district capital needs and the \$28.28 bond funding. The \$2.6 million funding will be used for capital needs described in the bond plan. In addition, the remaining \$1.4 million funding from the sinking fund will be used for a combination of instructional technology purchases and safety/security devices throughout the district. During FY19 & the summer of FY20, the district used the sinking fund proceeds received during FY19 to purchase technology equipment for students as well as to support the summer construction work at the high school and elementary schools.

The Capital Project Fund, which is annually funded by the General Fund, is used for the completion of capital projects throughout the district. The district's General Fund contributed \$1,650,000 during 2018-19 into the capital project fund.

The healthcare reserve account is also funded by the general fund. The General Fund added \$100,000 to the healthcare reserve account during 2018-19 and now has an assigned fund balance of \$2,100,000. This healthcare reserve account will help mitigate any financial burden on the general fund in future years related to any excessive healthcare claims.

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2019

2019-20 School Year

The district is once again experiencing increased student growth due primarily to our Oxford Virtual Academy. We now anticipate higher general fund revenue due to this increased student growth but revenue will be partially offset by increased expenditures related to this growth.

The district is also in the process of selling series two bonds which are related to the bond proposal that was passed by voters in 2017. The district expects to receive \$9.4 million which will be used on construction projects within the district beginning in the Spring of 2020.

Further information can be found in the Notes to the Financial Statements. This report is designed to give an overview of the financial condition of the Oxford Community Schools. Questions or requests for additional information should be directed to the business office at (248) 969-5000.

BASIC FINANCIAL STATEMENTS

Oxford Community Schools
Statement of Net Position
June 30, 2019

	Governmental Activities
Assets	
Cash	\$ 9,426,531
Accounts receivable	38,259
Due from other governmental units	11,067,922
Inventory	27,529
Restricted cash	13,539,738
Prepaid items	575,123
Capital assets not being depreciated	2,573,129
Capital assets - net of accumulated depreciation	107,679,059
Total assets	144,927,290
 Deferred Outflows of Resources	
Deferred amount relating to the net pension liability	38,424,004
Deferred amount relating to the net OPEB liability	6,132,096
Deferred amount on debt refunding	2,088,000
Total deferred outflows of resources	46,644,100
Total assets and deferred outflows of resources	191,571,390

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Statement of Net Position
June 30, 2019

	Governmental Activities
Liabilities	
Accounts payable	\$ 2,875,744
Due to other governmental units	1,223,542
Payroll and related withholdings	1,899,984
Accrued expenditures	696,000
Accrued salaries payable	3,340,364
Unearned revenue	75,433
Long-term liabilities	
Debt due within one year	12,075,978
Debt due in more than one year	133,450,483
Net pension liability	102,800,428
Net OPEB liability	<u>27,675,660</u>
Total liabilities	<u>286,113,616</u>
 Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	11,955,714
Deferred amount relating to the net OPEB liability	<u>6,296,519</u>
Total deferred inflows of resources	<u>18,252,233</u>
 Total liabilities and deferred inflows of resources	 <u>304,365,849</u>
 Net position	
Net investment in capital assets	(2,358,491)
Restricted for	
Debt service	5,648,331
Unrestricted (deficit)	<u>(116,084,299)</u>
Total net position	<u>\$ (112,794,459)</u>

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Statement of Activities
For the Year Ended June 30, 2019

		Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	
Functions/Programs				
Governmental activities				
Instruction	\$ 47,379,822	\$ 281,082	\$ 10,449,768	\$ (36,648,972)
Supporting services	25,842,119	426,831	2,623,287	(22,792,001)
Food services	2,872,047	1,319,632	837,966	(714,449)
Community services	2,282,194	1,399,113	477,734	(405,347)
Interest and fiscal charges on long-term debt	4,404,421	-	814,320	(3,590,101)
Total governmental activities	\$ 82,780,603	\$ 3,426,658	\$ 15,203,075	(64,150,870)
General revenues				
				5,333,832
				9,836,036
				45,687,467
				286,728
				290,395
				61,434,458
				(2,716,412)
				(110,078,047)
				\$ (112,794,459)

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Governmental Funds
Balance Sheet
June 30, 2019

	General Fund	2010B QSCB Debt Service	2018 Sinking Fund	2018 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 7,974,351	\$ 509	\$ 445,017	\$ 35,913	\$ 970,741	\$ 9,426,531
Investments	-	6,002,890	-	7,536,848	-	13,539,738
Accounts receivable	31,208	-	-	-	7,051	38,259
Due from other funds	371,236	2,067	-	-	2,383,446	2,756,749
Due from other governmental units	10,958,105	-	-	-	109,817	11,067,922
Inventory	-	-	-	-	27,529	27,529
Prepaid items	564,089	-	-	-	11,034	575,123
Total assets	<u>\$ 19,898,989</u>	<u>\$ 6,005,466</u>	<u>\$ 445,017</u>	<u>\$ 7,572,761</u>	<u>\$ 3,509,618</u>	<u>\$ 37,431,851</u>
Liabilities						
Accounts payable	\$ 458,863	\$ -	\$ 248,491	\$ 1,887,223	\$ 281,167	\$ 2,875,744
Due to other funds	2,385,513	-	-	15,176	356,060	2,756,749
Due to other governmental units	1,142,040	-	-	-	81,502	1,223,542
Payroll and related withholdings	1,899,984	-	-	-	-	1,899,984
Accrued salaries payable	3,340,364	-	-	-	-	3,340,364
Unearned revenues	29,974	-	-	-	45,459	75,433
Total liabilities	<u>9,256,738</u>	<u>-</u>	<u>248,491</u>	<u>1,902,399</u>	<u>764,188</u>	<u>12,171,816</u>

See Accompanying Notes to the Financial Statements

**Oxford Community Schools
Governmental Funds
Balance Sheet
June 30, 2019**

	General Fund	2010B QSCB Debt Service	2018 Sinking Fund	2018 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance						
Non-spendable						
Inventory	-	-	-	-	27,529	27,529
Prepaid items	564,089	-	-	-	11,034	575,123
Restricted for						
Cafeteria	-	-	-	-	321,264	321,264
Debt service	-	6,005,466	-	-	338,865	6,344,331
Committed for						
Capital projects	-	-	-	5,670,362	-	5,670,362
Assigned for						
Long-term obligations	8,065,394	-	-	-	-	8,065,394
Education solutions	12,768	-	-	-	-	12,768
Future health care costs	2,000,000	-	-	-	-	2,000,000
Capital projects	-	-	-	-	2,171,977	2,171,977
Unassigned (deficit)	-	-	196,526	-	(125,239)	71,287
Total fund balance	<u>10,642,251</u>	<u>6,005,466</u>	<u>196,526</u>	<u>5,670,362</u>	<u>2,745,430</u>	<u>25,260,035</u>
 Total liabilities and fund balance	 <u>\$ 19,898,989</u>	 <u>\$ 6,005,466</u>	 <u>\$ 445,017</u>	 <u>\$ 7,572,761</u>	 <u>\$ 3,509,618</u>	 <u>\$ 37,431,851</u>

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2019

Total fund balances for governmental funds	\$ 25,260,035
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	2,573,129
Capital assets - net of accumulated depreciation	107,679,059
Other long-term assets are not deferred in the governmental funds.	
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	2,088,000
Deferred inflows of resources resulting from the net pension liability	(11,955,714)
Deferred outflows of resources resulting from the net pension liability	38,424,004
Deferred inflows of resources resulting from the net OPEB liability	(6,296,519)
Deferred outflows of resources resulting from the net OPEB liability	6,132,096
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(696,000)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Net pension liability	(102,800,428)
Net OPEB liability	(27,675,660)
Compensated absences	(2,507,153)
Bonds payable	(105,329,467)
School bond loan payable	(35,532,671)
Accrued interest on school bond loan fund	(2,157,170)
Net position of governmental activities	\$ (112,794,459)

Oxford Community Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	General Fund	2010B QSCB Debt Service	2018 Sinking Fund	2018 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Local sources	\$ 6,166,343	\$ 1,568,454	\$ 833,231	\$ 40,745	\$ 10,283,349	\$ 18,892,122
State sources	54,921,691	-	-	-	607,391	55,529,082
Federal sources	1,460,124	814,320	-	-	876,935	3,151,379
Interdistrict sources	2,498,249	-	-	-	-	2,498,249
Total revenues	<u>65,046,407</u>	<u>2,382,774</u>	<u>833,231</u>	<u>40,745</u>	<u>11,767,675</u>	<u>80,070,832</u>
Expenditures						
Current						
Education						
Instruction	38,059,230	-	-	-	-	38,059,230
Supporting services	22,952,519	-	-	-	-	22,952,519
Food services	-	-	-	-	2,254,232	2,254,232
Community services	33,609	-	-	-	1,808,236	1,841,845
Capital outlay	1,950,644	-	636,705	3,541,418	826,384	6,955,151
Debt service						
Principal	288,884	-	-	-	10,950,000	11,238,884
Interest and other expenditures	48,155	993,900	-	-	3,498,726	4,540,781
Total expenditures	<u>63,333,041</u>	<u>993,900</u>	<u>636,705</u>	<u>3,541,418</u>	<u>19,337,578</u>	<u>87,842,642</u>
Excess (deficiency) of revenues over expenditures	<u>1,713,366</u>	<u>1,388,874</u>	<u>196,526</u>	<u>(3,500,673)</u>	<u>(7,569,903)</u>	<u>(7,771,810)</u>

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	General Fund	2010B QSCB Debt Service	2018 Sinking Fund	2018 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)						
Proceeds from school bond loan fund	\$ -	\$ -	\$ -	\$ -	\$ 7,114,791	\$ 7,114,791
Proceeds from sale of capital assets	36,738	-	-	-	-	36,738
Transfers in	25,000	-	-	-	1,654,463	1,679,463
Transfers out	(1,654,463)	-	-	-	(25,000)	(1,679,463)
Total other financing sources (uses)	<u>(1,592,725)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,744,254</u>	<u>7,151,529</u>
Net change in fund balance	120,641	1,388,874	196,526	(3,500,673)	1,174,351	(620,281)
Fund balance - beginning	<u>10,521,610</u>	<u>4,616,592</u>	<u>-</u>	<u>9,171,035</u>	<u>1,571,079</u>	<u>25,880,316</u>
Fund balance - ending	<u>\$ 10,642,251</u>	<u>\$ 6,005,466</u>	<u>\$ 196,526</u>	<u>\$ 5,670,362</u>	<u>\$ 2,745,430</u>	<u>\$ 25,260,035</u>

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balances - Total governmental funds \$ (620,281)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(4,017,759)
Capital outlay	3,831,218

Expenses are recorded when incurred in the statement of activities.

The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.

Net change in net pension liability	(16,314,349)
Net change in deferrals of resources related to the net pension liability	10,051,064
Interest	41,000
Interest on school bond loan fund	(1,026,808)
Compensated absences	(658,822)

The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.

Net change in net OPEB liability	1,900,076
Net change in deferrals of resources related to the net OPEB liability	(1,104,633)

Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or payments, as a financing source or expenditure in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.

Debt issued	(7,114,791)
Repayments of long-term debt	11,238,884
Amortization of premiums	1,254,957
Amortization of bond discount	(2,489)
Amortization of deferred amount on refunding	(130,300)

Change in net position of governmental activities **\$ (2,716,412)**

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Fiduciary Funds
Statement of Assets and Liabilities
June 30, 2019

	<u>Agency Funds</u>
Assets	
Cash	<u>\$ 759,773</u>
Liabilities	
Due to agency fund activities	<u>\$ 759,773</u>

Oxford Community Schools
Notes to the Financial Statements
June 30, 2019

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

District-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2019

well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

The School District reports the following major governmental funds:

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

2010B QSCB Debt Service – This is used to account for the accumulation of restricted cash necessary for the payment of interest, principal, and other expenditures on long-term debt of the 2010B debt issue.

Sinking Fund – This fund is used to record the sinking fund property tax levy and other revenue and the disbursement of invoices specifically for acquiring new school sites, construction or repair of school buildings.

2018 Capital Projects Fund – This fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The fund is kept open until the purpose for which the fund was created has been accomplished.

Additionally, the School District reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District's Special Revenue Funds include the Cafeteria, and Community Service Funds.

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

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

Capital Projects Fund – The Capital Projects Fund is used to account for the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The fund is kept open until the purpose for which the fund was created has been accomplished.

Assets, Liabilities and Net Position or Equity

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

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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2019

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

General Fund	
Non-principal resident exemption	17.7253
Commercial personal property	5.7253
 Debt Service Funds	 7.9000
 Sinking Fund	 0.7440

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries. Approximately 64% of the School District's tax roll lies within Oxford Township.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 14 or February 14. Collections are forwarded to the School District as collected by the assessing municipalities. Real property taxes uncollected as of March 1 are purchased by the County of Oakland and remitted to the School District by May 15. The School District has considered the impact of GASB Statement No. 77, *Tax Abatement Disclosures* and determined that there are no abatements that reduce property tax revenues.

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

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the School District follows the consumption method, and they therefore are capitalized as prepaid items in both district-wide and fund financial statements.

Restricted Cash – Certain cash is set aside for debt service on the District's general obligation bonds and is classified as restricted cash on the balance sheet because the use is limited by applicable bond agreements.

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

Buildings and improvements	20-50 years
Equipment and furniture	5-15 years
Buses and other vehicles	7 years

Oxford Community Schools
Notes to the Financial Statements
June 30, 2019

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

Compensated Absences – The liability for compensated absences reported in the district-wide statements consist of accumulated sick leave balance. A liability for these amounts is reported in governmental funds as it comes due for payment. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Long-term Obligations – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period.

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

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

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

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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2019

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

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

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

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

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

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

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

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

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

The School District has adopted a minimum fund balance policy which requires the General Fund to maintain a minimum fund balance ranging from 10% to 20% of the prior year's actual expenditures and other financing uses. As of June 30, 2019, the general fund balance represented approximately 19% of the June 30, 2018 general fund expenditures and other financing uses.

Use of Estimates

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

Eliminations and Reclassifications

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

Adoption of New Accounting Standards

Statement No. 83, *Certain Asset Retirement Obligations* establishes criteria for determining the timing and pattern of recognition of a

Oxford Community Schools
Notes to the Financial Statements
June 30, 2019

liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The requirements of this Statement are effective for the fiscal year ending June 30, 2019.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* improves the information that is disclosed in notes to the District's financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities districts should include when disclosing information related to debt. It requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. It will also require that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for the fiscal year ending June 30, 2019.

Upcoming Accounting and Reporting Changes

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

Statement No. 87, *Leases* increases the usefulness of the District's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the District's leasing activities. The requirements of this Statement are effective for the fiscal year ending June 30, 2021.

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

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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2019

Statement No. 91, *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement is effective for the year ending June 30, 2022.

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

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year.

Excess of Expenditures over Appropriations

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

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Pupil	\$ 3,945,125	\$ 4,079,366	\$ 134,241
Instructional staff	2,957,433	3,042,447	85,014
Operations and maintenance	4,496,383	4,516,946	20,563
Capital outlay	1,275,549	1,950,644	675,095
Debt - principal	256,947	288,884	31,937
Transfers out	550,000	1,654,463	1,104,463

Fund Deficits

The School District has accumulated unassigned fund balance deficits in the Community Services Fund in the amount of \$125,239. The School District plans to eliminate the deficit through future income and tax revenues.

Compliance – Bond Proceeds

The 2018 Capital Projects Fund include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, management believes the School District has complied, in all material respects, with the applicable provisions of Section 1351a of the Revised School Code. The following is a summary of the revenue and expenditures in the 2018 Capital Project Fund from the inception of the funds through the current fiscal year:

	2018 Capital Projects Fund	
Revenues	\$	9,496,854
Expenditures		3,826,492

Oxford Community Schools
Notes to the Financial Statements
June 30, 2019

Compliance – Sinking Funds

The Capital Project Fund records capital project activities funded with Sinking Fund millage. For this fund, management believes the School District has complied, in all material respects, with the applicable provisions of § 1212(1) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 2004-4.

Note 3 - Deposits and Investments

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

	Governmental Activities	Fiduciary Funds	Total Primary Government
Cash	\$ 9,426,531	\$ 759,773	\$ 10,186,304
Investments	13,539,738	-	13,539,738
	\$ 22,966,269	\$ 759,773	\$ 23,726,042

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

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 10,184,115
Investments in securities, mutual funds, and similar vehicles	13,539,738
Petty cash and cash on hand	2,189
Total	\$ 23,726,042

As of yearend, the School District had the following investments:

Investment	Fair Value	Maturities	Rating	Rating Organization
FHLB Discount Note	\$ 2,500,000	7/15/2019	AA+	Standard & Poor's
US Treasury 3.625% Note	2,500,000	8/15/2019	AAA+	Standard & Poor's
US Treasury 1.25% Note	2,500,000	8/31/2019	AAA+	Standard & Poor's
Federated Treasury Obligation Fund	44,738	N/A	AAA+	Standard & Poor's
FFCB 2.55% Note	625,000	5/15/2020	AA+	Standard & Poor's
US Treasury 1.625% Note	1,165,000	6/30/2020	AAA+	Standard & Poor's
Resolution Funding Corp. Discount Note	4,205,000	7/15/2020	AAA+	Standard & Poor's
	\$ 13,539,738			

Interest rate risk – In accordance with its investment policy, the School District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 12 months.

Credit risk – State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2019

Concentration of credit risk – The School District’s investment policy does not allow for an investment in any one issuer that is in excess of five percent of the School District’s total investments.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of year-end, \$10,679,760 of the School District’s bank balance of \$10,929,760 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of yearend, none of the School District’s investments were exposed to custodial credit risk.

Note 4 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 511,000	\$ 500,304	\$ -	\$ 1,011,304
Construction in progress	-	1,561,825	-	1,561,825
Total capital assets not being depreciated	<u>511,000</u>	<u>2,062,129</u>	<u>-</u>	<u>2,573,129</u>
Capital assets being depreciated				
Buildings and additions	162,818,928	370,067	-	163,188,995
Equipment and furniture	12,150,457	272,126	-	12,422,583
Buses and other vehicles	906,224	1,126,896	-	2,033,120
Total capital assets being depreciated	<u>175,875,609</u>	<u>1,769,089</u>	<u>-</u>	<u>177,644,698</u>
Less accumulated depreciation for				
Buildings and additions	55,899,699	3,246,049	-	59,145,748
Equipment and furniture	9,436,085	580,688	-	10,016,773
Buses and other vehicles	612,096	191,022	-	803,118
Total accumulated depreciation	<u>65,947,880</u>	<u>4,017,759</u>	<u>-</u>	<u>69,965,639</u>
Net capital assets being depreciated	<u>109,927,729</u>	<u>(2,248,670)</u>	<u>-</u>	<u>107,679,059</u>
Net capital assets	<u>\$ 110,438,729</u>	<u>\$ (186,541)</u>	<u>\$ -</u>	<u>\$ 110,252,188</u>

Depreciation expense was charged to activities of the School District as follows:

Governmental activities	
Instruction	\$ 3,214,207
Support services	401,776
Food services	241,066
Community services	160,710
Total governmental activities	<u>\$ 4,017,759</u>

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Note 5 - Interfund Receivables and Payables and Transfers

Individual interfund receivable and payable balances at year end were:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Funds	\$ 356,060
2010B QSCB Debt Service	General Fund	2,067
General Fund	2018 Capital Projects Fund	15,176
Nonmajor Funds	General Fund	<u>2,383,446</u>
		<u>\$ 2,756,749</u>

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

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

Interfund transfers consist of the following:

	<u>Transfers Out</u>		
	<u>General Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>
Transfers in			
General Fund	\$ -	\$ 25,000	\$ 25,000
Nonmajor Funds	<u>1,654,463</u>	<u>-</u>	<u>1,654,463</u>
	<u>\$ 1,654,463</u>	<u>\$ 25,000</u>	<u>\$ 1,679,463</u>

Note 6 - Unearned Revenue

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

	<u>Unearned</u>
Grants	<u>\$ 75,433</u>

Oxford Community Schools
Notes to the Financial Statements
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Note 7 - Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The State can withhold state aid if it has to make a bond payment on behalf of the School District related to qualified bonds. For the School Bond Loan Fund, the State may withhold state aid if the School District is in default, or apply late charges in an instance of default or fails to appropriately levy debt mills. Other long-term obligations include compensated absences.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds payable					
Government obligation bonds	\$ 110,495,658	\$ -	\$ (11,238,884)	\$ 99,256,774	\$ 11,707,978
Premium on bonds	7,372,109	-	(1,254,957)	6,117,152	-
Discount on bonds	(46,948)	-	2,489	(44,459)	-
Total bonds payable	<u>117,820,819</u>	<u>-</u>	<u>(12,491,352)</u>	<u>105,329,467</u>	<u>11,707,978</u>
Notes from direct borrowings and direct placements					
School Bond Loan	28,417,880	7,114,791	-	35,532,671	-
Accrued interest- SBLF	1,130,362	1,026,808	-	2,157,170	-
Total notes from direct borrowings and direct placements	<u>29,548,242</u>	<u>8,141,599</u>	<u>-</u>	<u>37,689,841</u>	<u>-</u>
Other liabilities					
Compensated absences	<u>1,848,331</u>	<u>1,025,866</u>	<u>(367,044)</u>	<u>2,507,153</u>	<u>368,000</u>
Total	<u>\$ 149,217,392</u>	<u>\$ 9,167,465</u>	<u>\$ (12,858,396)</u>	<u>\$ 145,526,461</u>	<u>\$ 12,075,978</u>

For governmental activities, compensated absences are primarily liquidated by the General Fund.

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

\$42,075,000 refunding bonds due in annual installments of \$100,000 to \$9,990,000 through May 1, 2039, interest at 2.00% to 5.00%	\$ 42,075,000
\$2,912,143 refunding bonds due in annual installments of \$322,978 to \$364,445 through June 23, 2022, interest at 3.98%	1,046,774
\$15,000,000 serial bonds due in one installment of \$15,000,000 in May 31, 2027, interest at 6.63% due annually	15,000,000
\$24,580,000 bonds due in annual installments of \$2,160,000 to \$2,235,000 through May 31, 2025, interest at 5.00%	13,190,000
\$43,850,000 bonds due in annual installments of \$9,150,000 to \$9,600,000 through May 31, 2021, interest at 2.39% to 2.76%	18,750,000
\$9,195,000 serial bonds due in a single installment of \$290,000 \$615,000 through May 1, 2048, interest at 3.50% to 4.00%	<u>9,195,000</u>
Total general obligation bonded debt	<u>\$ 99,256,774</u>

Under the terms of the 2010 School Building and Site Bonds, Series B, the School District is required to make mandatory set aside deposits of \$1,153,846 for years 2016 through 2027. These deposits are required to be set aside to ensure there is sufficient money to pay the principal at maturity.

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

Year Ending June 30,	Bonds	
	Principal	Interest
2020	\$ 11,707,978	\$ 4,234,886
2021	12,179,351	3,890,633
2022	12,559,445	3,459,913
2023	4,995,000	2,843,242
2024	4,615,000	2,605,741
2025 - 2029	43,605,000	8,034,567
2030 - 2034	2,140,000	1,677,925
2035 - 2039	2,540,000	1,214,125
2040 - 2044	2,775,000	684,200
2045 - 2049	<u>2,140,000</u>	<u>166,380</u>
Total	<u>\$ 99,256,774</u>	<u>\$ 28,811,612</u>

The general obligation bonds are payable from the Debt Service Funds. As of yearend, the Debt Service Funds had a collective balance of \$6,344,331. Future debt and interest will be payable from future tax levies. Interest expense for the year ended June 30, 2019 was \$4,492,626.

State School Bond Loan

The State School Bond Loan consists of a borrowing agreement with the State of Michigan for the purpose of meeting the financing of current debt maturities on the School District's outstanding bond issues. The bond elections, as passed by the voters, specified that the School District debt millage would not exceed the pre-bond vote millage, but instead the elections permitted the School District to extend this levy. Since the monies generated by the millage are presently not sufficient to cover the entire debt service requirements of the School District, it has been necessary for the School District to borrow additional funds to meet debt service requirements. The

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School District has agreed to repay the loan amount with interest at rates and at times to be determined by the State Treasurer.

Compensated Absences

Accrued compensated absences at year end, consists of \$2,507,153 of vacation and sick hours earned. The entire amount is considered long-term as the amount expended each year is expected to be offset by sick time earned for the year.

Deferred Amount on Debt Refunding

Refunding of certain debt resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This amount is reported in the accompanying statement of net position as a deferred outflow of resources and is being amortized through fiscal year 2039.

Deferred amount of refunding activity is summarized below:

	Beginning Balance	Additions	Reductions	Ending Balance
Deferred amount on debt refunding	\$ 2,218,300	\$ -	\$ (130,300)	\$ 2,088,000

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

The final payment date is 2031. As of yearend, the amount of defeased debt outstanding but removed from the School District's financial statements is as follows:

1996 Debt Issue	\$ 16,060,000
2001 School Building and Site Bonds	<u>29,350,000</u>
Total	<u>\$ 45,410,000</u>

Note 8 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The School District has purchased commercial insurance for health claims (excluding dental) and participates in SET-SEG (risk pool) for claims relating to worker' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The shared-risk pool program operates as a common risk-sharing management program for school districts in Michigan. Member's premiums are used to purchase commercial excess insurance coverage and pay members claims in excess of deductible amounts.

The School District is self insured for dental claims. The School District estimates the liability for dental claims that have been reported as well as those that have not been reported. The obligation is not material to the financial statements.

The School District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the School District must reimburse the Employment Commission for all benefits charged against the School District. The School District had no significant unemployment compensation expense for the year and has made no provision for possible future claims.

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Note 9 - Pension Plan

Plan Description

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

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

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

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

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average

compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

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

Contributions

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

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

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Notes to the Financial Statements
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The schedule below summarizes pension contribution rates in effect for fiscal year ended September 30, 2018.

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

Required contributions to the pension plan from the School District were \$9,311,742 for the year ending September 30, 2018.

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

At June 30, 2019, the School District reported a liability of \$102,800,428 for its proportionate share of the MPERS net pension liability. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2017. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2018, the School District's proportion was 0.3420 percent, which was an increase of 0.0082 percent from its proportion measured as of September 30, 2017. At September 30, 2018 the total pension expense for the School District was \$15,732,293. For the year ending June 30, 2019, the School District recognized pension expense of \$9,404,137.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 477,013	\$ (747,033)	\$ (270,020)
Changes of assumptions	23,808,495	-	23,808,495
Net difference between projected and actual earnings on pension plan investments	-	(7,028,936)	(7,028,936)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	5,481,946	(331,983)	5,149,963
Total to be recognized in future School District contributions subsequent to the measurement date	29,767,454	(8,107,952)	21,659,502
	8,656,550	(3,847,762)	4,808,788
Total	\$ 38,424,004	\$ (11,955,714)	\$ 26,468,290

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

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)		
	2019	\$ 9,280,102
	2020	6,558,079
	2021	4,228,851
	2022	1,592,470
		\$ 21,659,502

Oxford Community Schools
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Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2017
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
 - MIP and Basic Plans 7.05%
 - Pension Plus Plan 7.00%
 - Pension Plus 2 Plan: 6.00%
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members
- Mortality:
 - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
 - Active Members: Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the

annual pension valuations beginning with the September 30, 2017 valuation. The total pension liability as of September 30, 2018, is based on the results of an actuarial valuation date of September 30, 2017, and rolled forward using generally accepted actuarial procedures, including the experience study.

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

Recognition period for assets in years is 5.0000

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

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018, are summarized in the following table:

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

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

Rate of Return

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

Discount Rate

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

return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

1% Decrease *	Current Single Discount Rate Assumption *	1% Increase *
6.05% / 6.0% / 5.0%	7.05% / 7.0% / 6.0%	8.05% / 8.0% / 7.0%
<u>\$ 134,969,023</u>	<u>\$ 102,800,428</u>	<u>\$ 76,073,556</u>

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

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

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

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

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

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Note 10 - Post-employment Benefits Other Than Pensions (OPEB)

Plan Description

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

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

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

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

Benefits Provided

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

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

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

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

Oxford Community Schools
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their transition date, and their prior contributions were deposited into their 401(k) account.

Contributions

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

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

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

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

Required contributions to the OPEB plan from the School District were \$2,259,942 for the year ended September 30, 2018.

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

At June 30, 2019, the School District reported a liability of \$27,675,660 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2017. The School District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2018, the School District's proportion was 0.3482 percent, which was an increase of 0.0142 percent from its proportion measured as of September 30, 2017. At September 30, 2018, the total OPEB expense for the School District was \$1,565,534. For the year ending June 30, 2019, the School District recognized total OPEB expense of \$2,463,693.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$ (5,151,151)	\$ (5,151,151)
Changes of assumptions	2,930,867	-	2,930,867
Net difference between projected and actual earnings on OPEB plan investments	-	(1,063,642)	(1,063,642)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>1,068,558</u>	<u>(81,726)</u>	<u>986,832</u>
Total to be recognized in future	3,999,425	(6,296,519)	(2,297,094)
School District contributions subsequent to the measurement date	<u>2,132,671</u>	<u>-</u>	<u>556,963</u>
Total	<u>\$ 6,132,096</u>	<u>\$ (6,296,519)</u>	<u>\$ (1,740,131)</u>

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

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future OPEB Expenses)	
Year	Amount
2019	\$ (596,426)
2020	(596,426)
2021	(596,426)
2022	(379,617)
2023	(128,199)
	<u>\$ (2,297,094)</u>

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2017
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 7.15%

Oxford Community Schools
Notes to the Financial Statements
June 30, 2019

- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: 7.5% Year 1 graded to 3.0% Year 12
- Mortality:
 - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
 - Active Members: Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Other Assumptions:

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

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

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

Recognition period for assets in years is 5.0000

Full actuarial assumptions are available in the 20178 MPSERS Comprehensive Annual Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2018, are summarized in the following table:

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

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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2019

Rate of Return

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

Discount Rate

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

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

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

1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
\$ 33,224,066	\$ 27,675,660	\$ 23,008,771

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

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ 22,762,925	\$ 27,675,660	\$ 33,311,569

OPEB Plan Fiduciary Net Position

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

Payables to the OPEB Plan

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

Note 11 - Contingent Liabilities

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

REQUIRED SUPPLEMENTARY INFORMATION

Oxford Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>			Over (Under) Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Local sources	\$ 6,206,659	\$ 5,860,205	\$ 6,166,343	\$ 306,138
State sources	50,929,913	54,653,489	54,921,691	268,202
Federal sources	1,742,110	1,710,427	1,460,124	(250,303)
Interdistrict sources	<u>2,047,537</u>	<u>2,270,006</u>	<u>2,498,249</u>	<u>228,243</u>
Total revenues	<u>60,926,219</u>	<u>64,494,127</u>	<u>65,046,407</u>	<u>552,280</u>

Oxford Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Expenditures				
Instruction				
Basic programs	\$ 31,838,715	\$ 32,631,759	\$ 32,024,336	\$ (607,423)
Added needs	5,837,073	6,358,263	6,034,894	(323,369)
Supporting services				
Pupil	3,359,002	3,945,125	4,079,366	134,241
Instructional staff	2,813,446	2,957,433	3,042,447	85,014
General administration	523,147	509,870	497,381	(12,489)
School administration	3,722,855	4,134,063	3,782,713	(351,350)
Business	819,278	752,660	737,055	(15,605)
Operations and maintenance	3,871,547	4,496,383	4,516,946	20,563
Pupil transportation services	2,384,581	2,547,637	2,489,501	(58,136)
Central	2,692,596	2,842,364	2,728,116	(114,248)
Athletics	1,031,307	1,054,164	1,019,873	(34,291)
Other	195,712	67,352	59,121	(8,231)
Community services	40,842	61,903	33,609	(28,294)
Capital outlay	1,305,441	1,275,549	1,950,644	675,095
Debt service				
Principal	256,947	256,947	288,884	31,937
Interest and fiscal charges	58,983	58,983	48,155	(10,828)
	<u>60,751,472</u>	<u>63,950,455</u>	<u>63,333,041</u>	<u>(617,414)</u>
Excess (deficiency) of revenues over expenditures	<u>174,747</u>	<u>543,672</u>	<u>1,713,366</u>	<u>1,169,694</u>

Oxford Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses)				
Proceeds from sale of capital assets	\$ -	\$ -	\$ 36,738	\$ 36,738
Transfers in	70,625	85,000	25,000	(60,000)
Transfers out	<u>(200,000)</u>	<u>(550,000)</u>	<u>(1,654,463)</u>	<u>1,104,463</u>
Total other financing sources (uses)	<u>(129,375)</u>	<u>(465,000)</u>	<u>(1,592,725)</u>	<u>1,081,201</u>
Net change in fund balance	45,372	78,672	120,641	41,969
Fund balance - beginning	<u>10,521,610</u>	<u>10,521,610</u>	<u>10,521,610</u>	<u>-</u>
Fund balance - ending	<u>\$ 10,566,982</u>	<u>\$ 10,600,282</u>	<u>\$ 10,642,251</u>	<u>\$ 41,969</u>

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
A. Reporting unit's proportion of net pension liability (%)	0.3420%	0.3337%	0.3187%	0.3046%	0.2838%					
B. Reporting unit's proportionate share of net pension liability	\$ 102,800,428	\$ 86,486,079	\$ 79,520,006	\$ 74,392,743	\$ 62,502,002					
C. Reporting unit's covered-employee payroll	\$ 29,793,043	\$ 28,365,885	\$ 27,528,870	\$ 25,486,596	\$ 24,176,085					
D. Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	345%	305%	288.86%	291.89%	258.53%					
E. Plan fiduciary net position as a percentage of total pension liability	62.36%	64.21%	63.27%	63.17%	66.20%					

Note Disclosures

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

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

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

		For the Years Ended June 30,									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
A.	Statutorily required contributions	\$ 9,404,137	\$ 7,827,962	\$ 7,157,201	\$ 5,875,664	\$ 4,406,934					
B.	Contributions in relation to statutorily required contributions	<u>9,404,137</u>	<u>7,827,962</u>	<u>7,157,201</u>	<u>5,875,664</u>	<u>4,406,934</u>					
C.	Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					
D.	Reporting unit's covered-employee payroll	\$ 31,337,102	\$ 29,414,145	\$ 27,793,403	\$ 26,265,248	\$ 25,279,228					
E.	Contributions as a percentage of covered-employee payroll	30.01%	26.61%	25.75%	22.37%	17.43%					

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
A. Reporting unit's proportion of net OPEB liability (%)	0.3482%	0.3340%								
B. Reporting unit's proportionate share of net OPEB liability	\$ 27,675,660	\$ 29,575,736								
C. Reporting unit's covered-employee payroll	\$ 29,793,043	\$ 28,365,885								
D. Reporting unit's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	92.89%	104.27%								
E. Plan fiduciary net position as a percentage of total OPEB liability	42.95%	36.39%								

Note Disclosures

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

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

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

		For the Years Ended June 30,									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
A.	Statutorily required contributions	\$ 2,463,693	\$ 2,600,195								
B.	Contributions in relation to statutorily required contributions	<u>2,463,693</u>	<u>2,600,195</u>								
C.	Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>								
D.	Reporting unit's covered-employee payroll	\$ 31,337,102	\$ 29,414,145								
E.	Contributions as a percentage of covered-employee payroll	7.86%	8.84%								

OTHER SUPPLEMENTARY INFORMATION

Oxford Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds		Debt Service Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Cafeteria	Community Services	2015A Debt Service	2015B Debt Service	2016 Debt Service	2018 Debt Service		
Assets								
Cash	\$ 372,540	\$ 42,560	\$ 1,898	\$ 4,831	\$ 4,342	\$ 1,381	\$ 543,189	\$ 970,741
Accounts receivable	115	6,936	-	-	-	-	-	7,051
Due from other funds	-	-	-	-	201,501	131,641	2,050,304	2,383,446
Due from other governmental units	26,770	83,047	-	-	-	-	-	109,817
Inventory	27,529	-	-	-	-	-	-	27,529
Prepaid items	4,311	6,723	-	-	-	-	-	11,034
Total assets	\$ 431,265	\$ 139,266	\$ 1,898	\$ 4,831	\$ 205,843	\$ 133,022	\$ 2,593,493	\$ 3,509,618
Liabilities								
Accounts payable	\$ 1,335	\$ 831	\$ -	\$ -	\$ -	\$ -	\$ 279,001	\$ 281,167
Due to other funds	42,357	164,459	1,898	4,831	-	-	142,515	356,060
Due to other governmental units	34,469	47,033	-	-	-	-	-	81,502
Unearned revenues	-	45,459	-	-	-	-	-	45,459
Total liabilities	78,161	257,782	1,898	4,831	-	-	421,516	764,188
Fund Balance								
Non-spendable								
Inventory	27,529	-	-	-	-	-	-	27,529
Prepaid items	4,311	6,723	-	-	-	-	-	11,034
Restricted for								
Cafeteria	321,264	-	-	-	-	-	-	321,264
Debt service	-	-	-	-	205,843	133,022	-	338,865
Assigned								
Capital projects	-	-	-	-	-	-	2,171,977	2,171,977
Unassigned (deficit)	-	(125,239)	-	-	-	-	-	(125,239)
Total fund balance	353,104	(118,516)	-	-	205,843	133,022	2,171,977	2,745,430
Total liabilities and fund balance	\$ 431,265	\$ 139,266	\$ 1,898	\$ 4,831	\$ 205,843	\$ 133,022	\$ 2,593,493	\$ 3,509,618

Oxford Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	Special Revenue Funds		Debt Service Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Cafeteria	Community Services	2015A Debt Service	2015B Debt Service	2016 Debt Service	2018 Debt Service		
Revenues								
Local sources	\$ 1,281,049	\$ 1,329,143	\$ 1,762,311	\$ 3,543,731	\$ 1,914,868	\$ 451,890	\$ 357	\$ 10,283,349
State sources	129,657	477,734	-	-	-	-	-	607,391
Federal sources	876,935	-	-	-	-	-	-	876,935
Total revenues	<u>2,287,641</u>	<u>1,806,877</u>	<u>1,762,311</u>	<u>3,543,731</u>	<u>1,914,868</u>	<u>451,890</u>	<u>357</u>	<u>11,767,675</u>
Expenditures								
Current								
Education								
Food services	2,254,232	-	-	-	-	-	-	2,254,232
Community services	-	1,808,236	-	-	-	-	-	1,808,236
Capital outlay	-	-	-	-	-	-	826,384	826,384
Debt service								
Principal	-	-	2,250,000	8,700,000	-	-	-	10,950,000
Interest and other expenditures	-	-	772,500	698,333	1,709,025	318,868	-	3,498,726
Total expenditures	<u>2,254,232</u>	<u>1,808,236</u>	<u>3,022,500</u>	<u>9,398,333</u>	<u>1,709,025</u>	<u>318,868</u>	<u>826,384</u>	<u>19,337,578</u>
Excess (deficiency) of revenues over expenditures	<u>33,409</u>	<u>(1,359)</u>	<u>(1,260,189)</u>	<u>(5,854,602)</u>	<u>205,843</u>	<u>133,022</u>	<u>(826,027)</u>	<u>(7,569,903)</u>
Other financing sources (uses)								
Proceeds from school bond loan fund	-	-	1,260,189	5,854,602	-	-	-	7,114,791
Transfers in	-	4,463	-	-	-	-	1,650,000	1,654,463
Transfers out	(25,000)	-	-	-	-	-	-	(25,000)
Total other financing sources (uses)	<u>(25,000)</u>	<u>4,463</u>	<u>1,260,189</u>	<u>5,854,602</u>	<u>-</u>	<u>-</u>	<u>1,650,000</u>	<u>8,744,254</u>
Net change in fund balance	8,409	3,104	-	-	205,843	133,022	823,973	1,174,351
Fund balance - beginning	<u>344,695</u>	<u>(121,620)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,348,004</u>	<u>1,571,079</u>
Fund balance - ending	<u>\$ 353,104</u>	<u>\$ (118,516)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,843</u>	<u>\$ 133,022</u>	<u>\$ 2,171,977</u>	<u>\$ 2,745,430</u>

Oxford Community Schools
Other Supplementary Information
General Fund
Schedule of Revenues Compared to Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue from local sources				
Property tax levy	\$ 5,203,118	\$ 5,108,901	\$ 5,195,309	\$ 86,408
Tuition	295,379	61,961	176,155	114,194
Interest earnings	5,000	6,000	6,239	239
Student activities	75,280	77,140	72,291	(4,849)
Other local revenues	<u>627,882</u>	<u>606,203</u>	<u>716,349</u>	<u>110,146</u>
Total revenues from local sources	<u>6,206,659</u>	<u>5,860,205</u>	<u>6,166,343</u>	<u>306,138</u>
Revenues from state sources				
Grants	43,110,655	45,253,978	45,385,910	131,932
Grants - restricted	<u>7,819,258</u>	<u>9,399,511</u>	<u>9,535,781</u>	<u>136,270</u>
Total revenues from state sources	<u>50,929,913</u>	<u>54,653,489</u>	<u>54,921,691</u>	<u>268,202</u>
Revenues from federal sources				
Grants	<u>1,742,110</u>	<u>1,710,427</u>	<u>1,460,124</u>	<u>(250,303)</u>
Interdistrict sources				
Tuition	27,894	10,410	83,763	73,353
Transportation	10,334	3,464	18,287	14,823
ISD collected millage	1,905,427	2,162,649	2,216,182	53,533
Cooperative education	103,882	83,483	-	(83,483)
Other	<u>-</u>	<u>10,000</u>	<u>180,017</u>	<u>170,017</u>
Total interdistrict sources	<u>2,047,537</u>	<u>2,270,006</u>	<u>2,498,249</u>	<u>228,243</u>
Other financing sources				
Proceeds from sale of capital assets	-	-	36,738	36,738
Transfers in	<u>70,625</u>	<u>85,000</u>	<u>25,000</u>	<u>(60,000)</u>
Total other financing sources	<u>70,625</u>	<u>85,000</u>	<u>61,738</u>	<u>(23,262)</u>
Total revenue and other financing sources	<u>\$ 60,996,844</u>	<u>\$ 64,579,127</u>	<u>\$ 65,108,145</u>	<u>\$ 529,018</u>

Oxford Community Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Basic program - elementary				
Salaries	\$ 7,524,273	\$ 8,369,976	\$ 7,924,468	\$ (445,508)
Employee benefits	4,448,090	4,708,945	4,684,138	(24,807)
Purchased services	308,075	242,705	369,995	127,290
Supplies and materials	278,858	290,721	280,787	(9,934)
Other	3,200	3,200	2,118	(1,082)
Total elementary	<u>12,562,496</u>	<u>13,615,547</u>	<u>13,261,506</u>	<u>(354,041)</u>
Basic program - middle school				
Salaries	3,077,819	3,319,366	3,329,015	9,649
Employee benefits	1,789,060	1,860,437	1,996,104	135,667
Purchased services	138,986	107,520	152,627	45,107
Supplies and materials	96,689	223,612	201,053	(22,559)
Other	2,000	3,000	3,440	440
Total middle school	<u>5,104,554</u>	<u>5,513,935</u>	<u>5,682,239</u>	<u>168,304</u>
Basic program - high school				
Salaries	6,620,649	5,260,373	5,632,943	372,570
Employee benefits	3,250,506	3,575,951	3,302,178	(273,773)
Purchased services	3,772,465	4,074,852	3,599,116	(475,736)
Supplies and materials	450,728	516,144	482,262	(33,882)
Other	7,875	12,375	7,776	(4,599)
Total high school	<u>14,102,223</u>	<u>13,439,695</u>	<u>13,024,275</u>	<u>(415,420)</u>

Oxford Community Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Basic program - summer school				
Salaries	\$ 46,265	\$ 38,829	\$ 38,646	\$ (183)
Employee benefits	21,037	21,180	16,094	(5,086)
Supplies and materials	2,140	2,573	1,576	(997)
Total summer school	<u>69,442</u>	<u>62,582</u>	<u>56,316</u>	<u>(6,266)</u>
Added needs - special education				
Salaries	2,708,525	2,751,048	2,647,114	(103,934)
Employee benefits	1,349,167	1,582,949	1,695,151	112,202
Purchased services	73,958	55,418	75,270	19,852
Supplies and materials	85,043	144,128	63,144	(80,984)
Other	178,884	200,000	220,178	20,178
Total special education	<u>4,395,577</u>	<u>4,733,543</u>	<u>4,700,857</u>	<u>(32,686)</u>
Added needs - compensatory education				
Salaries	217,822	214,251	201,117	(13,134)
Employee benefits	114,324	100,235	115,721	15,486
Supplies and materials	7,464	31,590	25,240	(6,350)
Total compensatory education	<u>339,610</u>	<u>346,076</u>	<u>342,078</u>	<u>(3,998)</u>

Oxford Community Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Added needs - career and technical education				
Salaries	\$ 594,822	\$ 669,899	\$ 456,901	\$ (212,998)
Employee benefits	313,657	384,039	318,599	(65,440)
Purchased services	66,086	88,113	86,889	(1,224)
Supplies and materials	127,321	136,593	129,507	(7,086)
Other	-	-	63	63
Total career and technical education	<u>1,101,886</u>	<u>1,278,644</u>	<u>991,959</u>	<u>(286,685)</u>
Pupil - truancy/absenteeism services				
Salaries	116,142	176,054	175,554	(500)
Employee benefits	54,867	95,626	103,360	7,734
Total truancy/absenteeism services	<u>171,009</u>	<u>271,680</u>	<u>278,914</u>	<u>7,234</u>
Pupil - guidance services				
Salaries	514,767	758,287	758,898	611
Employee benefits	292,004	398,330	457,954	59,624
Total guidance services	<u>806,771</u>	<u>1,156,617</u>	<u>1,216,852</u>	<u>60,235</u>
Pupil - health services				
Purchased services	<u>244,997</u>	<u>215,000</u>	<u>194,080</u>	<u>(20,920)</u>

Oxford Community Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Pupil - psychological services				
Salaries	\$ 337,993	\$ 342,774	\$ 340,042	\$ (2,732)
Employee benefits	157,351	190,915	205,152	14,237
Purchased services	1,100	1,100	500	(600)
Supplies and materials	3,000	-	-	-
Total psychological services	<u>499,444</u>	<u>534,789</u>	<u>545,694</u>	<u>10,905</u>
Pupil - speech services				
Salaries	354,266	353,261	353,270	9
Employee benefits	193,967	207,361	219,099	11,738
Purchased services	700	700	778	78
Supplies and materials	2,000	-	-	-
Total speech services	<u>550,933</u>	<u>561,322</u>	<u>573,147</u>	<u>11,825</u>
Pupil - social work services				
Salaries	341,584	346,776	343,776	(3,000)
Employee benefits	180,455	200,174	227,356	27,182
Purchased services	4,158	400	11	(389)
Supplies and materials	300	-	-	-
Total social work services	<u>526,497</u>	<u>547,350</u>	<u>571,143</u>	<u>23,793</u>

Oxford Community Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Pupil - teacher consultant				
Salaries	\$ 253,505	\$ 266,187	\$ 266,334	\$ 147
Employee benefits	116,710	116,346	155,718	39,372
Purchased services	500	500	910	410
Supplies and materials	400	400	116	(284)
Total teacher consultant	<u>371,115</u>	<u>383,433</u>	<u>423,078</u>	<u>39,645</u>
Pupil - other support services				
Salaries	26,433	86,687	57,820	(28,867)
Employee benefits	9,703	41,417	29,974	(11,443)
Purchased services	152,100	146,830	188,664	41,834
Total other pupil support services	<u>188,236</u>	<u>274,934</u>	<u>276,458</u>	<u>1,524</u>
Instructional staff - improvement of education				
Salaries	547,121	527,152	481,404	(45,748)
Employee benefits	273,830	284,805	299,905	15,100
Purchased services	263,715	325,580	287,666	(37,914)
Supplies and materials	17,870	18,370	7,838	(10,532)
Other	129,000	113,000	75,672	(37,328)
Total improvement of education	<u>1,231,536</u>	<u>1,268,907</u>	<u>1,152,485</u>	<u>(116,422)</u>

Oxford Community Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Instructional staff - educational media services				
Salaries	\$ 236,473	\$ 279,244	\$ 264,573	\$ (14,671)
Employee benefits	140,417	180,099	180,836	737
Purchased services	2,822	2,822	2,905	83
Supplies and materials	22,407	29,407	27,350	(2,057)
Total educational media services	<u>402,119</u>	<u>491,572</u>	<u>475,664</u>	<u>(15,908)</u>
Instructional staff - technology assisted instruction				
Salaries	34,460	36,500	36,050	(450)
Employee benefits	24,353	24,661	23,067	(1,594)
Purchased services	96,121	45,621	49,780	4,159
Supplies and materials	24,445	-	-	-
Total technology assisted instruction	<u>179,379</u>	<u>106,782</u>	<u>108,897</u>	<u>2,115</u>
Instructional staff - supervision and direction of instructional staff				
Salaries	570,571	659,747	758,863	99,116
Employee benefits	282,379	344,624	464,408	119,784
Purchased services	102,164	41,531	48,819	7,288
Supplies and materials	10,000	1,700	1,545	(155)
Other	1,000	1,000	495	(505)
Total supervision and direction of instructional staff	<u>966,114</u>	<u>1,048,602</u>	<u>1,274,130</u>	<u>225,528</u>

Oxford Community Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Instructional staff - academic student assessment				
Purchased services	\$ -	\$ 7,272	\$ -	\$ (7,272)
Supplies and materials	34,298	34,298	31,271	(3,027)
Total academic student assessment	<u>34,298</u>	<u>41,570</u>	<u>31,271</u>	<u>(10,299)</u>
General administration - board of education				
Salaries	10,052	10,052	5,310	(4,742)
Employee benefits	370	224	268	44
Purchased services	90,900	90,900	75,349	(15,551)
Other	13,750	13,750	7,862	(5,888)
Total board of education	<u>115,072</u>	<u>114,926</u>	<u>88,789</u>	<u>(26,137)</u>
General administration - executive administration				
Salaries	219,445	202,960	237,024	34,064
Employee benefits	126,530	127,884	143,253	15,369
Purchased services	20,500	22,500	9,490	(13,010)
Supplies and materials	11,300	11,300	8,504	(2,796)
Other	30,300	30,300	10,321	(19,979)
Total executive administration	<u>408,075</u>	<u>394,944</u>	<u>408,592</u>	<u>13,648</u>
School administration - office of the principal				
Salaries	2,171,600	2,305,099	2,212,727	(92,372)
Employee benefits	1,209,244	1,435,703	1,436,316	613
Purchased services	7,154	6,550	9,571	3,021
Supplies and materials	57,550	78,400	68,799	(9,601)
Other	22,565	21,538	21,670	132
Total office of the principal	<u>3,468,113</u>	<u>3,847,290</u>	<u>3,749,083</u>	<u>(98,207)</u>

Oxford Community Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
School administration - other				
Salaries	\$ 173,800	\$ 229,563	\$ 17,286	\$ (212,277)
Employee benefits	80,942	57,210	16,344	(40,866)
Total other school administration	<u>254,742</u>	<u>286,773</u>	<u>33,630</u>	<u>(253,143)</u>
Business - fiscal services				
Salaries	377,641	377,471	378,159	688
Employee benefits	248,906	237,658	234,765	(2,893)
Purchased services	45,500	53,700	46,073	(7,627)
Supplies and materials	4,600	5,000	5,593	593
Other	7,500	3,700	2,951	(749)
Total fiscal services	<u>684,147</u>	<u>677,529</u>	<u>667,541</u>	<u>(9,988)</u>
Business - other				
Purchased services	25,000	25,000	24,632	(368)
Other	110,131	50,131	44,882	(5,249)
Total other	<u>135,131</u>	<u>75,131</u>	<u>69,514</u>	<u>(5,617)</u>
Operations and maintenance - operating building services				
Salaries	227,488	205,511	209,149	3,638
Employee benefits	157,684	133,630	133,007	(623)
Purchased services	2,116,424	2,717,541	2,707,336	(10,205)
Supplies and materials	1,232,734	1,372,090	1,408,979	36,889
Other	10,000	1,500	1,207	(293)
Total operating building services	<u>3,744,330</u>	<u>4,430,272</u>	<u>4,459,678</u>	<u>29,406</u>

Oxford Community Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Operations and maintenance - security services				
Salaries	\$ 110,003	\$ 40,420	\$ 34,272	\$ (6,148)
Employee benefits	17,214	21,191	19,900	(1,291)
Purchased services	-	2,500	-	(2,500)
Supplies and materials	-	2,000	3,096	1,096
Total security services	<u>127,217</u>	<u>66,111</u>	<u>57,268</u>	<u>(8,843)</u>
Pupil transportation services				
Salaries	1,280,260	1,343,490	1,316,022	(27,468)
Employee benefits	727,127	826,671	822,139	(4,532)
Purchased services	74,194	79,976	76,338	(3,638)
Supplies and materials	298,500	295,000	273,181	(21,819)
Other	4,500	2,500	1,821	(679)
Total transportation services	<u>2,384,581</u>	<u>2,547,637</u>	<u>2,489,501</u>	<u>(58,136)</u>
Central - planning, research development and evaluation				
Supplies and materials	-	5,128	2,104	(3,024)
Central - communication services				
Salaries	256,784	350,367	314,860	(35,507)
Employee benefits	164,735	229,205	214,257	(14,948)
Purchased services	131,375	111,250	49,410	(61,840)
Supplies and materials	2,580	4,400	2,250	(2,150)
Total communication services	<u>555,474</u>	<u>695,222</u>	<u>580,777</u>	<u>(114,445)</u>

Oxford Community Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Central - staff/personnel services				
Salaries	\$ 231,154	\$ 247,493	\$ 248,839	\$ 1,346
Employee benefits	143,707	165,761	160,619	(5,142)
Purchased services	30,776	41,270	38,582	(2,688)
Supplies and materials	2,200	6,900	6,860	(40)
Other	15,000	15,000	16,711	1,711
Total staff/personnel services	<u>422,837</u>	<u>476,424</u>	<u>471,611</u>	<u>(4,813)</u>
Central - support services technology				
Salaries	421,873	477,518	515,856	38,338
Employee benefits	222,154	277,313	290,070	12,757
Purchased services	499,400	444,400	466,161	21,761
Supplies and materials	10,000	10,000	2,890	(7,110)
Other	3,500	3,500	1,205	(2,295)
Total support services technology	<u>1,156,927</u>	<u>1,212,731</u>	<u>1,276,182</u>	<u>63,451</u>
Central - pupil accounting				
Salaries	347,198	243,954	223,936	(20,018)
Employee benefits	201,820	200,541	170,145	(30,396)
Purchased services	-	-	1,232	1,232
Supplies and materials	1,300	1,300	1,193	(107)
Other	2,040	2,064	936	(1,128)
Total pupil accounting	<u>552,358</u>	<u>447,859</u>	<u>397,442</u>	<u>(50,417)</u>

Oxford Community Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Central - other				
Purchased services	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Athletic activities				
Salaries	410,322	385,692	365,682	(20,010)
Employee benefits	164,509	190,878	197,274	6,396
Purchased services	388,144	411,687	391,011	(20,676)
Supplies and materials	66,022	63,597	63,596	(1)
Other	2,310	2,310	2,310	-
Total athletic activities	<u>1,031,307</u>	<u>1,054,164</u>	<u>1,019,873</u>	<u>(34,291)</u>
Other supporting services				
Salaries	98,950	29,327	28,124	(1,203)
Employee benefits	51,562	15,629	13,866	(1,763)
Purchased services	6,800	6,800	2,603	(4,197)
Supplies and materials	7,000	87	241	154
Other	31,400	15,509	14,287	(1,222)
Total other supporting services	<u>195,712</u>	<u>67,352</u>	<u>59,121</u>	<u>(8,231)</u>
Community services - direction				
Supplies and materials	<u>-</u>	<u>-</u>	<u>1,259</u>	<u>1,259</u>

Oxford Community Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Community services - community recreation				
Salaries	\$ -	\$ 1,000	\$ 1,000	\$ -
Employee benefits	-	541	493	(48)
Purchased services	-	20,383	800	(19,583)
Total community recreation	-	21,924	2,293	(19,631)
Community services - community activities				
Salaries	890	526	215	(311)
Employee benefits	382	225	99	(126)
Purchased services	33,000	33,000	25,454	(7,546)
Supplies and materials	-	-	832	832
Other	-	-	2,500	2,500
Total community activities	34,272	33,751	29,100	(4,651)
Community services - non-public school pupils				
Purchased services	1,570	1,228	-	(1,228)
Community services - other				
Salaries	-	-	656	656
Employee benefits	-	-	301	301
Other	5,000	5,000	-	(5,000)
Total other	5,000	5,000	957	(4,043)

Oxford Community Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Capital outlay				
Basic program - elementary	\$ 5,600	\$ 2,600	\$ 119,889	\$ 117,289
Basic program - middle school	7,124	48,678	126,725	78,047
Basic program - high school	314,726	406,401	463,196	56,795
Added needs - special education	58,646	3,578	-	(3,578)
Added needs - career and technical education	76,356	135,778	135,350	(428)
Pupil - other support services	-	25,671	-	(25,671)
Instructional staff - improvement of education	19,000	5,250	7,707	2,457
Instructional staff - supervision and direction of instructional staff	5,000	500	556	56
School administration - office of the principal	9,300	9,300	-	(9,300)
Business - fiscal services	1,000	10,000	1,574	(8,426)
Operations and maintenance - operating building services	5,000	(5,000)	-	5,000
Operations and maintenance - security services	-	1,000	-	(1,000)
Pupil transportation services	144,000	161,000	160,509	(491)
Central - communication services	7,000	25,040	19,505	(5,535)
Central - staff/personnel services	4,555	4,555	-	(4,555)
Central - support services technology	300,000	300,000	303,606	3,606
Athletic services	22,798	18,163	18,162	(1)
Other support services	25,000	25,000	-	(25,000)
Building improvements	300,336	98,035	593,865	495,830
Total capital outlay	<u>1,305,441</u>	<u>1,275,549</u>	<u>1,950,644</u>	<u>675,095</u>
Debt service				
Principal	256,947	256,947	288,884	31,937
Interest and other expenditures	58,983	58,983	48,155	(10,828)
Total debt service	<u>315,930</u>	<u>315,930</u>	<u>337,039</u>	<u>21,109</u>
Other financing uses				
Transfers out	200,000	550,000	1,654,463	1,104,463
Total expenditures and financing uses	<u>\$ 60,951,472</u>	<u>\$ 64,500,455</u>	<u>\$ 64,987,504</u>	<u>\$ 487,049</u>

Oxford Community Schools
Other Supplementary Information
General Fund Combining Balance Sheet
June 30, 2019

	General Education	Special Education	Education Solutions	Athletics	Health Care Reserve	General Fund
Assets						
Cash	\$ 7,974,145	\$ 206	\$ -	\$ -	\$ -	\$ 7,974,351
Accounts receivable	26,738	4,470	-	-	-	31,208
Due from other funds	-	337,482	-	44,201	2,000,000	2,381,683
Due from other governmental units	9,729,668	688,608	539,829	-	-	10,958,105
Prepaid items	552,471	-	-	11,618	-	564,089
Total assets	\$ 18,283,022	\$ 1,030,766	\$ 539,829	\$ 55,819	\$ 2,000,000	\$ 21,909,436
Liabilities						
Accounts payable	\$ 447,517	\$ 1,448	\$ -	\$ 9,898	\$ -	\$ 458,863
Due to other funds	4,393,217	-	2,743	-	-	4,395,960
Due to other governmental units	350,775	248,468	524,318	18,479	-	1,142,040
Payroll and related withholdings	1,641,537	253,430	-	5,017	-	1,899,984
Accrued salaries payable	2,802,137	527,420	-	10,807	-	3,340,364
Unearned revenues	29,974	-	-	-	-	29,974
Total liabilities	9,665,157	1,030,766	527,061	44,201	-	11,267,185
Fund Balance						
Non-spendable						
Prepaid items	552,471	-	-	11,618	-	564,089
Assigned						
Long-term obligations	8,065,394	-	-	-	-	8,065,394
Funded education	-	-	-	-	-	-
Education solutions	-	-	12,768	-	-	12,768
Future health care costs	-	-	-	-	2,000,000	2,000,000
Total fund balance	8,617,865	-	12,768	11,618	2,000,000	10,642,251
Total liabilities and fund balance	\$ 18,283,022	\$ 1,030,766	\$ 539,829	\$ 55,819	\$ 2,000,000	\$ 21,909,436

Oxford Community Schools
Other Supplementary Information
General Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	General Education	Special Education	Education Solutions	Athletics	Health Care Reserve	General Fund
Revenues						
Local sources	\$ 6,000,158	\$ -	\$ 90,237	\$ 75,948	\$ -	\$ 6,166,343
State sources	52,133,204	2,788,487	-	-	-	54,921,691
Federal sources	344,642	1,115,482	-	-	-	1,460,124
Interdistrict sources	374,193	2,124,056	-	-	-	2,498,249
Total revenues	<u>58,852,197</u>	<u>6,028,025</u>	<u>90,237</u>	<u>75,948</u>	<u>-</u>	<u>65,046,407</u>
Expenditures						
Current						
Education						
Instruction	33,357,215	4,702,015	-	-	-	38,059,230
Supporting services	18,709,160	3,110,275	77,469	1,055,615	-	22,952,519
Community services	33,609	-	-	-	-	33,609
Capital outlay	1,931,926	556	-	18,162	-	1,950,644
Debt service						
Principal	288,884	-	-	-	-	288,884
Interest and other expenditures	48,155	-	-	-	-	48,155
Total expenditures	<u>54,368,949</u>	<u>7,812,846</u>	<u>77,469</u>	<u>1,073,777</u>	<u>-</u>	<u>63,333,041</u>
Excess (deficiency) of revenues over expenditures	<u>4,483,248</u>	<u>(1,784,821)</u>	<u>12,768</u>	<u>(997,829)</u>	<u>-</u>	<u>1,713,366</u>
Other financing sources (uses)						
Proceeds from sale of capital assets	36,738	-	-	-	-	36,738
Transfers in (out)	<u>(4,520,230)</u>	<u>1,765,686</u>	<u>-</u>	<u>1,025,081</u>	<u>100,000</u>	<u>(1,629,463)</u>
Total other financing sources (uses)	<u>(4,483,492)</u>	<u>1,765,686</u>	<u>-</u>	<u>1,025,081</u>	<u>100,000</u>	<u>(1,592,725)</u>
Net change in fund balance	(244)	(19,135)	12,768	27,252	100,000	120,641
Fund balance - beginning	<u>8,618,109</u>	<u>19,135</u>	<u>-</u>	<u>(15,634)</u>	<u>1,900,000</u>	<u>10,521,610</u>
Fund balance - ending	<u>\$ 8,617,865</u>	<u>\$ -</u>	<u>\$ 12,768</u>	<u>\$ 11,618</u>	<u>\$ 2,000,000</u>	<u>\$ 10,642,251</u>

**Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2019**

2007 Energy Bond

<u>Year Ending June 30,</u>	<u>Interest Rate (Percent)</u>	<u>Interest Due May 1</u>	<u>Principal Due May 1</u>	<u>Total</u>
2020	3.980	\$ 36,013	\$ 322,978	\$ 358,991
2021	3.980	22,470	359,351	381,821
2022	3.980	<u>7,422</u>	<u>364,445</u>	<u>371,867</u>
Total		<u>\$ 65,905</u>	<u>\$ 1,046,774</u>	<u>\$ 1,112,679</u>

**Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2019**

2010 School Building and Site Bonds, Series B, QSCB

<u>Year Ending June 30,</u>	<u>Interest Rate (Percent)</u>	<u>Interest Due November 1</u>	<u>Interest Due May 1</u>	<u>Principal Due May 1</u>	<u>Total</u>
2020	6.625	\$ 496,875	\$ 496,875	\$ -	\$ 993,750
2021	6.625	496,875	496,875	-	993,750
2022	6.625	496,875	496,875	-	993,750
2023	6.625	496,875	496,875	-	993,750
2024	6.625	496,875	496,875	-	993,750
2025	6.625	496,875	496,875	-	993,750
2026	6.625	496,875	496,875	-	993,750
2027	6.625	<u>496,875</u>	<u>496,875</u>	<u>15,000,000</u>	<u>15,993,750</u>
Total		<u>\$ 3,975,000</u>	<u>\$ 3,975,000</u>	<u>\$ 15,000,000</u>	<u>\$ 22,950,000</u>

**Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2019**

2015 Refunding Bonds Series A - 2004 & 2005

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
2020	5.000	\$ 329,750	\$ 329,750	\$ 2,235,000	\$ 2,894,500
2021	5.000	273,875	273,875	2,220,000	2,767,750
2022	5.000	218,375	218,375	2,205,000	2,641,750
2023	5.000	163,250	163,250	2,190,000	2,516,500
2024	5.000	108,500	108,500	2,180,000	2,397,000
2025	5.000	<u>54,000</u>	<u>54,000</u>	<u>2,160,000</u>	<u>2,268,000</u>
Total		<u>\$ 1,147,750</u>	<u>\$ 1,147,750</u>	<u>\$ 13,190,000</u>	<u>\$ 15,485,500</u>

**Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2019**

2015 Refunding Bonds Series B - SBLF

<u>Year Ending June 30,</u>	<u>Interest Rate (Percent)</u>	<u>Interest Due November 1</u>	<u>Interest Due May 1</u>	<u>Principal Due May 1</u>	<u>Total</u>
2020	2.393	\$ 241,816	\$ 241,816	\$ 9,150,000	\$ 9,633,632
2021	2.757	<u>132,336</u>	<u>132,336</u>	<u>9,600,000</u>	<u>9,864,672</u>
Total		<u>\$ 374,152</u>	<u>\$ 374,152</u>	<u>\$ 18,750,000</u>	<u>\$ 19,498,304</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2019

2016 Refunding Bonds - 2006 & 2010A

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
2020	5.000	\$ 854,263	\$ 854,263	-	\$ 1,708,526
2021	5.000	854,263	854,263	-	1,708,526
2022	5.000	854,263	814,263	9,990,000	11,658,526
2023	5.000	604,514	577,013	2,205,000	3,386,527
2024	5.000	549,388	516,138	2,435,000	3,500,526
2025	2.000	488,513	448,887	2,690,000	3,627,400
2026	3.000	437,838	414,838	5,110,000	5,962,676
2027	3.500	372,678	338,188	5,285,000	5,995,866
2028	4.000	285,950	245,700	6,800,000	7,331,650
2029	4.000	155,700	109,700	6,560,000	6,825,400
2030	4.000	24,500	22,500	100,000	147,000
2031	5.000	22,500	20,000	100,000	142,500
2032	5.000	20,000	17,500	100,000	137,500
2033	5.000	17,500	15,000	100,000	132,500
2034	5.000	15,000	12,500	100,000	127,500
2035	5.000	12,500	10,000	100,000	122,500
2036	5.000	10,000	7,500	100,000	117,500
2037	5.000	7,500	5,000	100,000	112,500
2038	5.000	5,000	2,500	100,000	107,500
2039	5.000	2,500	2,500	100,000	105,000
Total		<u>\$ 5,594,370</u>	<u>\$ 5,288,253</u>	<u>\$ 42,075,000</u>	<u>\$ 52,957,623</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2019

2018 Capital Projects Bonds

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
2020	-	\$ 176,733	\$ 176,733	-	\$ 353,466
2021	-	176,733	176,733	-	353,466
2022	4.000	176,733	176,733	-	353,466
2023	-	176,733	164,733	600,000	941,466
2024	-	164,733	164,733	-	329,466
2025	-	164,733	164,733	-	329,466
2026	-	164,733	164,733	-	329,466
2027	-	164,733	164,733	-	329,466
2028	-	164,733	164,733	-	329,466
2029	-	164,733	164,733	-	329,466
2030	4.000	164,733	158,933	290,000	613,666
2031	4.000	158,933	152,733	310,000	621,666
2032	4.000	152,733	146,133	330,000	628,866
2033	4.000	146,133	139,333	340,000	625,466
2034	4.000	139,333	131,933	370,000	641,266
2035	4.000	131,933	124,133	390,000	646,066
2036	-	124,133	124,133	400,000	648,266
2037	4.000	116,133	116,133	415,000	647,266
2038	4.000	107,833	107,833	420,000	635,666
2039	4.000	99,433	97,433	415,000	611,866
2040	4.000	91,133	89,133	535,000	715,266
2041	4.000	80,433	78,433	535,000	693,866
2042	4.000	69,733	66,733	550,000	686,466
2043	3.500	58,733	55,733	570,000	684,466
2044	3.500	48,383	45,758	585,000	679,141
2045	3.500	38,145	35,520	600,000	673,665
2046	3.600	27,645	25,020	615,000	667,665
2047	3.600	16,650	13,950	590,000	620,600
2048	3.600	6,030	3,420	335,000	344,450
Total		<u>\$ 3,473,545</u>	<u>\$ 3,395,748</u>	<u>\$ 9,195,000</u>	<u>\$ 16,064,293</u>

CONTINUING DISCLOSURES (UNAUDITED)

Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2019

Enrollment

Ten-year Blended Count History	Blended Count	School Year	Blended Count		
2019-2020 Initial Budget	6,635	2013-2014	5,411		
2018-2019	6,519	2012-2013	5,417		
2017-2018	6,173	2011-2012	4,966		
2016-2017	5,880	2010-2011	4,713		
2015-2016	5,655	2009-2010	4,547		
2014-2015	5,504	2008-2009	4,373		
2017-18	Enrollment	Grade	Enrollment	Grade	Enrollment
Early On/ECSE	19	7th	377	Oxford Virtual Academy	1,025
Kindergarten	383	8th	384	Early College	256
1st	326	9th	434	Oxford Crossroads	45
2nd	303	10th	359	Bishop Kelley Catholic Shared Time	42
3rd	300	11th	417	Genesee Christian Shared Time	41
4th	318	12th	377	Holy Family Catholic Shared Time	26
5th	322	Post High School	12	Holy Rosary Catholic Shared Time	9
6th	389	Oxford Bridges	50	Huron Valley Lutheran Shared Time	15
		EMC>1.0 FTE	1	Inter City Baptist Shared Time	26
		Sec 25e Adjust	12	Lutheran Northwest Shared Time	3
		Sec 23a	6	Lutheran Westland Shared Time	6
				Macomb Christian Shared Time	25
				Novi Christian Shared Time	7
				Oakland Christian Shared Time	9
				Plymouth Christian Shared Time	28
				Powers Catholic HS Shared Time	25
				St. John Evangelist Shared Time	31
				St. John Vianney Shared Time	19
				St. Joseph Shared Time	50
				St. Matthew Lutheran Shared Time	12
				St. Pius X Shared Time	11
				St. Robert Bellarmine Shared Time	18
				St. Lawrence Catholic Shared Time	1

Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2019

Labor Relations

Class	Number	Affiliation	Contract Expires
Teachers and Instructional Staff	303	Oxford Education Association	8/31/2022
OVA Teachers and St Joseph Teachers	71	Not affiliated	N/A
Transportation, Food Service, Maintenance	74	AFSCME	8/31/2022
Administrators	17	Oxford Administrators Association	7/31/2022
Secretaries & Paraprofessionals	76	OESPA	6/30/2022
Child Care	40	Not affiliated	N/A
Tutorial Assistants	1	Not affiliated	N/A
Crossing Guards	1	Not affiliated	N/A
Central Office Administrative Support	16	Not affiliated	N/A
Central Office Administrators	6	Not affiliated	N/A
Sub Employees (childcare, food service, trans, teach)	37	Not affiliated	N/A
Other Employees	25	Not affiliated	N/A
TOTAL	<u>667</u>		

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2019**

Retirement Plan

Contributions Period	Contribution Rate	Fiscal Year Ended June 30	Contributions to MPSERS
October 1, 2019 - September 30, 2020	27.50%	2020	\$ 12,396,785.00 Management's estimate
October 1, 2018 - September 30, 2019	26.18%	2019	\$ 12,919,311.00
October 1, 2017 - September 30, 2018	25.56%	2018	11,802,478.00
October 1, 2016 - September 30, 2017	24.94%	2017	10,482,235.00
October 1, 2015 - September 30, 2016	25.78%	2016	9,862,939.00
October 1, 2014 - September 30, 2015	25.78%	2015	8,607,307.00
October 1, 2013 - September 30, 2014	24.79%	2014	7,229,184.00
October 1, 2012 - September 30, 2013	25.36%	2013	6,372,985.00
October 1, 2011 - September 30, 2012	24.46%	2012	5,598,499.00
November 1, 2010 - September 30, 2011	20.66%	2011	4,722,363.00
October 1, 2010 - October 31, 2010	19.41%	2010	3,885,279.00

History of Valuation - State Equalized Valuation and Taxable Valuation

Year	State Equalized Valuation	Taxable Valuation
2019	\$ 1,483,560,490	\$ 1,176,974,183
2018	1,397,420,603	1,120,728,692
2017	1,350,057,343	1,068,711,281
2016	1,285,849,633	1,024,836,034
2015	1,231,079,911	1,023,135,286
2014	1,072,677,781	930,261,900
2013	982,135,348	901,160,380
2012	894,584,402	891,771,036
2011	990,898,446	912,214,180
2010	1,055,352,528	946,772,690

Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2019

Tax Levies and Collections

<u>School Year</u>	<u>Operating</u>	<u>Current Collections to March 1</u>		<u>Current Collections to June 31</u>	
	<u>Tax Levy</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2019-20120	\$ 5,254,082	In process of collection		Not available	
2018-2019	5,154,195	4,725,880	91.69%	5,139,238	99.71%
2017-2018	5,114,684	4,744,957	92.77%	4,856,884	94.96%
2016-2017	4,982,339	4,502,683	90.37%	4,834,793	97.04%
2015-2016	5,173,764	4,687,504	90.60%	5,074,752	98.09%
2014-2015	4,296,890	4,044,639	94.13%	4,118,799	95.86%
2013-2014	3,956,084	3,644,321	92.12%	3,938,515	99.56%
2012-2013	4,014,845	3,626,736	90.33%	3,950,585	98.40%
2011-2012	4,121,812	4,040,641	98.03%	4,101,971	99.52%
2010-2011	4,260,486	3,714,866	87.19%	4,255,798	99.89%
2009-2010	4,687,283	3,689,544	78.71%	4,670,317	99.64%

State Aid Payments

<u>School Year</u>	<u>Blended Pupil</u>	<u>Total State Aid</u>
	<u>Count</u>	<u>School Year</u>
2019-2020	6,635	\$ 56,678,439 Initial budget
2018-2019	6,519	\$ 54,686,052
2017-2018	6,173	50,162,516
2016-2017	5,880	45,882,150
2015-2016	5,655	42,486,261
2014-2015	5,504	41,018,253
2013-2014	5,411	38,581,958
2012-2013	5,417	37,849,360
2011-2012	4,966	34,464,471
2010-2011	4,713	32,076,945

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2019**

School District Tax Rates (Per \$1,000 of Valuation)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating	17.7253	17.7253	17.9153	17.8078	17.9442	17.9946
Debt	<u>7.9000</u>	<u>7.9000</u>	<u>7.9000</u>	<u>7.9000</u>	<u>7.9000</u>	<u>7.9000</u>
Total homestead	7.9000	7.9000	7.9000	7.9000	7.9000	7.9000
Total non-homestead	25.6253	25.6253	25.8153	25.7078	25.8442	25.8946
Sinking Fund	0.7404	0.7440	N/A	N/A	N/A	N/A

The operating millage on non-homestead property was renewed in November 2006 and again in November 2016, and will expire with the December 2026 levy.

The operating millage was reduced from 18.000 mills as a result of the Headlee Amendment, Article IX, Section 31 of the Michigan Constitution.

On November 7, 2017 voters approved a .7500 mills Sinking Fund, which was reduced as a result of the Headlee Amendment, Article IX, Section 31 of the Michigan Constitution.

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2019**

School Bond Loan Fund

As of June 30, 2019, the School District had an outstanding balance, including interest, of \$37,689,841.79* in the School Bond Loan Fund.
Source: Michigan Department of Treasury

<u>Direct Debt</u>	<u>Bond</u>	<u>Year</u>
\$ 15,000,000	2010 QSCB Bonds (GO-UTQ)	04/14/2010
13,190,000	2015A Refunding Bonds (UTQ)	08/05/2015
18,750,000	2015B Refunding Bonds (UTQ)	08/05/2015
42,075,000	2016 Refunding Bonds (UTQ)	08/09/2016
9,195,000	2018 Capital Projects Bonds (UTQ)	11/07/2017
<u>1,046,774</u>	2007 Energy Bond	05/23/2007
<u>\$ 99,256,774</u>		

The taxpayers below represent 9.90% of the School District's 2019 total taxable valuation of \$1,176,974,183.

* In August 2016, the District issued bonds titled 2016 Refunding Bonds, the proceeds of those issues were used to fund an escrow account to refund the 2006 Refunding Bonds and the 2010 BAB Bonds.

	<u>Service or Product</u>	<u>Taxable Value</u>
- Enbridge Energy Limited ATR & Embridge LP	Utility	\$ 45,983,080
DTE Electric Company	Utility	20,171,398
Consumers Energy	Utility	12,296,021
BKG Oxford LLC	Real Estate	7,209,660
MRG Lake Villa LLC	Mobile Home Community	8,038,390
Meijer Inc	Retail	6,102,600
DEERE Credit Inc	Financial	4,457,120
701 Market Street LLC	Iron and Steel Forgings	4,756,280
American Aggregates of Mich	Sand and Gravel	4,824,540
Village Manor of Oxford LLC	Apartment Rental	<u>2,711,250</u>
TOTAL		<u>\$ 116,550,339</u>

Sources: Township Treasurers, County Equalization

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2019**

**GENERAL APPROPRIATION RESOLUTION
RESOLUTION FOR ADOPTION BY THE BOARD
OF EDUCATION OF OXFORD COMMUNITY SCHOOLS**

RESOLVED, that this resolution shall be the general appropriations of Oxford Community Schools for the fiscal year 2019-2020; a resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all revenue received by Oxford

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriations in the General Fund of the Oxford Community Schools for fiscal year 2019-2020 which includes 17.7253 mills of ad valorem taxes to be levied on non-homestead and non-qualified agricultural property to be used for operating is as follows:

REVENUES	
Local	\$ 5,836,827
State	56,678,439
Federal	1,710,427
Other	2,355,006
TOTAL REVENUES	\$ 66,580,699
 Estimated Fund Balance July 1, 2019	 <u>10,600,282</u>
 TOTAL AVAILABLE TO APPROPRIATE	 <u>\$ 77,180,981</u>

BE IT FURTHER RESOLVED, that \$66,580,699 of the total available to appropriate in the general fund is hereby appropriated in the amounts and for the purposes set forth below:

EXPENDITURES	
Instruction	
Basic Programs	\$ 34,576,493
Added Needs	6,763,121
Support Services	
Pupil	4,011,209
Instructional Staff	3,105,890
General Administration	501,436
School Administration	4,288,479
Business Office	771,123
Maintenance	4,155,111
Transportation	2,797,837
Central	3,378,993
Athletics	1,141,110
Other - OIP	80,483
Community Services	60,903
Outgoing Transfers and Other	422,325
TOTAL APPROPRIATED	<u>\$ 66,054,513</u>

Oxford Community Schools

Single Audit

June 30, 2019



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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*

Independent Auditors' Report

Management and the Board of Education
Oxford Community Schools
Oxford, Michigan

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, each major fund, and the aggregate remaining fund information of Oxford Community Schools, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Oxford Community Schools' basic financial statements as of June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Oxford Community Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oxford Community Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Oxford Community 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oxford Community 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 determination of financial statement 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, described in the accompanying schedule of findings and questioned costs as finding number 2019-002.

Oxford Community Schools' Response to Findings and Corrective Action Plans

Oxford Community Schools' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plans. Oxford Community Schools' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

Yeo & Yeo, P.C.

Auburn Hills, Michigan
September 30, 2019



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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

Management and the Board of Education
Oxford Community Schools Oxford, Michigan

Report on Compliance for Each Major Federal Program

We have audited Oxford Community Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Oxford Community Schools' major federal programs for the year ended June 30, 2019. Oxford Community Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Oxford Community Schools' major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Oxford Community Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Oxford Community Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, Oxford Community 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, 2019.

Report on Internal Control over Compliance

Management of Oxford Community Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Oxford Community Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Oxford Community Schools' 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 charged 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oxford Community Schools, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Oxford Community Schools' basic financial statements. We issued our report thereon dated September 30, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Yeo & Yeo, P.C.

Auburn Hills, Michigan
September 30, 2019

Oxford Community Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Grant/ Project Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2018	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Adjustments	Accrued (Unearned) Revenue June 30, 2019	Current Year Cash Transferred to Subrecipient
U.S. Department of Agriculture										
Passed through Michigan Department of Education										
Child Nutrition Cluster										
School Breakfast Program	10.553	181970	\$ 113,433	\$ 19,752	\$ 113,433	\$ -	\$ 19,752	\$ -	\$ -	\$ -
School Breakfast Program	10.553	191970	<u>123,755</u>	<u>-</u>	<u>-</u>	<u>123,755</u>	<u>123,755</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total School Breakfast Program			<u>237,188</u>	<u>19,752</u>	<u>113,433</u>	<u>123,755</u>	<u>143,507</u>	<u>-</u>	<u>-</u>	<u>-</u>
National School Lunch Program	10.555	181960	555,826	86,925	555,826	-	86,925	-	-	-
National School Lunch Program	10.555	191960	594,091	-	-	594,091	594,091	-	-	-
National School Lunch Program - Entitlement	10.555	2019	<u>120,120</u>	<u>-</u>	<u>-</u>	<u>120,120</u>	<u>120,120</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total National School Lunch Program			<u>1,270,037</u>	<u>86,925</u>	<u>555,826</u>	<u>714,211</u>	<u>801,136</u>	<u>-</u>	<u>-</u>	<u>-</u>
Summer Food Service Program for Children	10.559	170900	29,979	6,736	29,979	-	6,736	-	-	-
Summer Food Service Program for Children	10.559	171900	3,100	700	3,100	-	700	-	-	-
Summer Food Service Program for Children	10.559	180900	35,302	-	-	35,302	26,313	-	8,989	-
Summer Food Service Program for Children	10.559	181900	<u>3,667</u>	<u>-</u>	<u>-</u>	<u>3,667</u>	<u>2,734</u>	<u>-</u>	<u>933</u>	<u>-</u>
Total Summer Food Service Program for Children			<u>72,048</u>	<u>7,436</u>	<u>33,079</u>	<u>38,969</u>	<u>36,483</u>	<u>-</u>	<u>9,922</u>	<u>-</u>
Total Child Nutrition Cluster			<u>1,579,273</u>	<u>114,113</u>	<u>702,338</u>	<u>876,935</u>	<u>981,126</u>	<u>-</u>	<u>9,922</u>	<u>-</u>
U.S. Department of Education										
Passed through Michigan Department of Education										
Title I Grants to Local Educational Agencies	84.010	181530	276,258	42,207	237,636	14,631	56,838	-	-	-
Title I Grants to Local Educational Agencies	84.010	191530	<u>265,437</u>	<u>-</u>	<u>-</u>	<u>255,656</u>	<u>220,418</u>	<u>-</u>	<u>35,238</u>	<u>-</u>
Total Title I Grants to Local Educational Agencies			<u>541,695</u>	<u>42,207</u>	<u>237,636</u>	<u>270,287</u>	<u>277,256</u>	<u>-</u>	<u>35,238</u>	<u>-</u>
Title IIA - Supporting Effective Instruction State Grant	84.367	180520	91,183	31,850	66,549	3,376	35,226	-	-	-
Title IIA - Supporting Effective Instruction State Grant	84.367	190520	<u>121,188</u>	<u>-</u>	<u>-</u>	<u>29,532</u>	<u>22,739</u>	<u>-</u>	<u>6,793</u>	<u>-</u>
Total Title IIA - Supporting Effective Instruction State Grant			<u>212,371</u>	<u>31,850</u>	<u>66,549</u>	<u>32,908</u>	<u>57,965</u>	<u>-</u>	<u>6,793</u>	<u>-</u>
Title IV Part A - Student Support and Academic Enrichment	84.424	180750	10,000	1,535	10,000	-	1,535	-	-	-
Title IV Part A - Student Support and Academic Enrichment	84.424	190750	<u>12,448</u>	<u>-</u>	<u>-</u>	<u>12,448</u>	<u>9,548</u>	<u>-</u>	<u>2,900</u>	<u>-</u>
Total Title IV Part A - Student Support and Academic Enrichment			<u>22,448</u>	<u>1,535</u>	<u>10,000</u>	<u>12,448</u>	<u>11,083</u>	<u>-</u>	<u>2,900</u>	<u>-</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Oxford Community Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Grant/ Project Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2018	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Adjustments	Accrued (Unearned) Revenue June 30, 2019	Current Year Cash Transferred to Subrecipient
Passed through Oakland County Intermediate School District										
Special Education Cluster										
Special Education - Grants to States	84.027	170450	\$ 997,798	\$ 94,796	\$ 142,328	\$ -	\$ 94,796	\$ -	\$ -	\$ -
Special Education - Grants to States	84.027	180450	993,364	401,290	945,942	47,422	436,176	-	12,536	-
Special Education - Grants to States	84.027	190450	<u>1,116,516</u>	-	-	<u>1,042,756</u>	<u>823,349</u>	-	<u>219,407</u>	-
Total Special Education - Grants to States			<u>3,107,678</u>	<u>496,086</u>	<u>1,088,270</u>	<u>1,090,178</u>	<u>1,354,321</u>	-	<u>231,943</u>	-
Special Education - Preschool Grants	84.173	170460	33,264	854	1,349	-	854	-	-	-
Special Education - Preschool Grants	84.173	180460	30,205	10,274	30,205	-	10,274	-	-	-
Special Education - Preschool Grants	84.173	190460	<u>25,304</u>	-	-	<u>25,304</u>	<u>20,013</u>	-	<u>5,291</u>	-
Total Special Education - Preschool Grants			<u>88,773</u>	<u>11,128</u>	<u>31,554</u>	<u>25,304</u>	<u>31,141</u>	-	<u>5,291</u>	-
Total Special Education Cluster			<u>3,196,451</u>	<u>507,214</u>	<u>1,119,824</u>	<u>1,115,482</u>	<u>1,385,462</u>	-	<u>237,234</u>	-
Passed through Holly Schools										
English Acquisition State Grants	84.365	1718	20,713	15,062	15,062	-	15,062	-	-	-
English Acquisition State Grants	84.365	1819	<u>18,005</u>	-	-	<u>18,005</u>	-	-	<u>18,005</u>	-
Total English Acquisition State Grants			<u>38,718</u>	<u>15,062</u>	<u>15,062</u>	<u>18,005</u>	<u>15,062</u>	-	<u>18,005</u>	-
Total U.S. Department of Education			<u>4,011,683</u>	<u>597,868</u>	<u>1,449,071</u>	<u>1,449,130</u>	<u>1,746,828</u>	-	<u>300,170</u>	-
U.S. Department of Health and Human Services										
Medical Assistance Program	93.778	FY2019	<u>10,994</u>	-	-	<u>10,994</u>	<u>10,994</u>	-	-	-
Total Federal awards			<u>\$ 5,601,950</u>	<u>\$ 711,981</u>	<u>\$ 2,151,409</u>	<u>\$ 2,337,059</u>	<u>\$ 2,738,948</u>	<u>\$ -</u>	<u>\$ 310,092</u>	<u>\$ -</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Oxford Community Schools
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2019

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Oxford Community Schools under programs of the federal government for the year ended June 30, 2019. 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 Oxford Community Schools, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Oxford Community Schools.

Note 2 – Summary of Significant Accounting Policies

Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance where certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

Oxford Community Schools has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Reconciliation to the Financial Statements

Federal revenues reported on the financial statements reconcile to the expenditures reported on the Schedule as follows:

Total expenditures reported on the Schedule of Federal Awards	\$ 2,337,059
Federal interest revenue	814,320
Federal revenue reported on the financial statements	<u>\$ 3,151,379</u>

Note 4 - Subrecipients

No amounts were provided to subrecipients.

Oxford Community Schools
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2019

Note 5 – Michigan Department of Education Disclosure

The amounts reported on the Recipient Entitlement Balance Report agree with the Schedule of Expenditures of Federal Awards for U.S.D.A. donated food commodities. The federal amounts reported on the grant auditor report are in agreement with the Schedule with the following reconciliation due to timing difference of receipts.

	Receipts per Grant Auditor Report	Receipts per Schedule	Difference
Title I Part A - 181530	\$ 14,631	\$ 56,838	\$ (42,207)
Title II Part A - 180520	<u>24,259</u>	<u>35,226</u>	<u>(10,967)</u>
	<u>\$ 38,890</u>	<u>\$ 92,064</u>	<u>\$ (53,174)</u>

Oxford Community Schools
Schedule of Findings and Questioned Costs
June 30, 2019

Section I – Summary of Auditors’ Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with Generally Accepted Accounting Principles:
Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified yes X none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified yes X none reported

Type of auditors’ report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major federal programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
84.027 / 84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

**Oxford Community Schools
Schedule of Findings and Questioned Costs
June 30, 2019**

Section II – Government Auditing Standards Findings

Finding 2019-001 – Material Weakness – Audit Adjustment Required

Criteria: Michigan Department of Education Bulletin 1022 Michigan Public School Accounting Manual states that financial statements and records should be free of errors that could change the users' overall assessment of the entity's finances.

Condition: A material adjustment was required during the audit to record additional accounts payable related to bond construction costs.

Cause and Effect: The adjustment was recorded as a result of the review of subsequent invoices that were determined to be related to fiscal year 2019 and were improperly excluded from accounts payable at yearend.

Recommendation: We recommend that management reviews invoices closely, especially around yearend, for dates of service in order to ensure that all expenditures are being recorded in the proper period.

Views of Responsible Officials: Management agrees with the finding.

Corrective Action Plan: See attached corrective action plan.

Finding 2019-002 – Material Weakness and Material Noncompliance – Expenditures in Excess of Appropriations

Criteria: The State of Michigan Uniform Budgeting and Accounting Act prohibits School Districts from expending funds that are not authorized in their approved budgets.

Condition: Actual transfers out of the General Fund were in excess of appropriations by \$1,104,463 and actual capital outlay expenditures were in excess of appropriations by \$675,095.

Cause and Effect: Capital outlay and transfers out expenditures in the General Fund were in excess of appropriations by \$675,095 and \$1,104,463, respectively. However, total expenditures were within appropriated amount.

Recommendation: We recommend that all expenditures be closely monitored to ensure that they do not exceed the appropriations as specified in the adopted budget for the year.

Views of Responsible Officials: Management agrees with the finding.

Corrective Action Plan: See attached corrective action plan.

**Oxford Community Schools
Schedule of Findings and Questioned Costs
June 30, 2019**

Section III – Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2019.

**Oxford Community Schools
Summary Schedule of Prior Audit Findings
June 30, 2019**

Section IV – Prior Audit Findings

Government Auditing Standards Findings

2018-001 – Material Weakness – Prior Period Adjustments

Criteria: Financial statements and records should be free of errors that could change the users' overall assessment of the entity's finances.

Status: Corrective action taken.

Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2018.



September 30, 2019

Management and the Board of Education
Oxford Community Schools
Oxford, Michigan

We have completed our audit of the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Oxford Community Schools (the School District) as of and for the year ended June 30, 2019, and have issued our report dated September 30, 2019. We are required to communicate certain matters to you in accordance with auditing standards generally accepted in the United States of America that are related to internal control and the audit. The first appendix to this letter sets forth those communications as follows:

I. Auditors' Communication of Significant Matters with Those Charged with Governance

In addition, we have identified additional matters that are not required to be communicated but we believe are valuable for management:

II. Matters for Management's Consideration

We discussed these matters with various personnel in the School District during the audit and with management. We would also be pleased to meet with you to discuss these matters at your convenience.

These communications are intended solely for the information and use of management, the Board of Education, and others within the School District, and are not intended to be and should not be used by anyone other than those specified parties.

Yeo & Yeo, P.C.

Auburn Hills, Michigan

Appendix I

Auditors' Communication of Significant Matters with Those Charged with Governance

Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated May 16, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School District are described in Note 1 of the financial statements. The School District has adopted the new Governmental Accounting Standards Board Statements as noted in the notes to the financial statements, effective July 1, 2018.

We noted no transactions entered into by the School District during the year where there is lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the School District's financial statements were:

- The useful lives of its capital assets. Useful lives are estimated based on the expected length of time during which the asset is able to deliver a given level of service.
- Net pension liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.
- Net OPEB liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.

We have evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole and free from bias.

Disclosures in the financial statements are neutral, consistent and clear.

Accounting Standards and Regulatory Updates

Accounting Standards

The Governmental Accounting Standards Board has released the following Statements:

Statement No. 84, *Fiduciary Activities* improves the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The criteria generally is on (1) is the government controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The four fiduciary funds that should be reported, if applicable are: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and

(4) custodial funds. Custodial funds generally will report fiduciary activities that are not held in a trust or similar arrangement that meets specific criteria. The requirements of this Statement are effective for the fiscal year ending June 30, 2020.

Statement No. 87, *Leases* increases the usefulness of the District's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the District's leasing activities. The requirements of this Statement are effective for the fiscal year ending June 30, 2021.

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

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

Statement No. 91, *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement is effective for the year ending June 30, 2022.

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

Regulatory and Other Updates

Federal Compliance

The Federal Compliance Supplement is being fully revised for 2019. Included in the revision is a mandate that the federal awarding agencies limit the requirement to test six of the compliance areas for each program. These program testing requirements are anticipated to vary on an annual basis. However, auditors will still need to perform a risk assessment to determine if any additional requirements may need to be tested, or if some of those requirements will not be necessary to test as it may not be direct and material to the program. This does not alleviate districts from following all of the compliance requirements as described in the grant agreement. It simply identifies which ones auditors will be testing.

Budget Assumptions & Early Warning

Each school district that has a general fund balance less than 5% of total unrestricted general revenue for either of the 2016-2017 or 2017-2018 school fiscal years is required to submit budget assumptions to the Center for Educational Performance and Information (CEPI).

Uniform Budgeting and Accounting Act (UBAA)

The UBAA establishes budget and accounting requirements for local governments and school districts, including public school academies. It also establishes oversight requirements for MDE as well as the Michigan Attorney General. Material violations of the UBAA, including but not limited to General Fund deficits, should be reported as financial statement findings in the audit report. UBAA states that if it becomes apparent during the year that the probable revenues will be less than the budgeted revenues, the fiscal officer shall present recommendations to the legislative body which, if adopted, would prevent expenditures from exceeding available revenues for the fiscal year. UBAA states that an officer of the school district shall not incur expenditures against an appropriation account in excess of the amount appropriated by the board. Noncompliance includes, but is not limited to, over-expending the budget authorized by the board. MDE is analyzing the General Fund only, and at the total revenues, expenditures and financing sources (uses) levels, rather than at the line item level. MDE has stated a 0% tolerance for UBAA noncompliance.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require that the auditor accumulate all known and likely misstatements identified during the audit, other than those the auditor believes to be trivial. The adjustments identified during the audit have been communicated to management and management has posted all adjustments.

The following material misstatement was detected as a result of our audit procedures and corrected by management:

	Net Income Effect
Record additional accounts payable in Capital Projects Funds	\$ (2,068,254)

There were no uncorrected misstatements that were more than trivial.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We are pleased to report we had no disagreements with management during the audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Our report will include the following emphasis of matter paragraph:

Deficit Fund Balance

The School District has an accumulated unassigned deficit in the Community Services Fund of \$125,239 as of June 30, 2019, which has resulted from operating deficits. The deficit is disclosed in Note 2. Our opinions are not modified with respect to this matter.

Other Reports

Other information that is required to be reported to you is included in the: Independent Auditors' 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*; Independent Auditors' Report on Compliance For Each Major Federal Program; Independent Auditors' Report on Internal Control Over Compliance; Independent Auditors' Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance; and the Schedule of Findings and Questioned Costs. Please read all information included in those reports to ensure you are aware of relevant information.

Report on Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements, which includes management's discussion and analysis, schedule of the school district's proportionate share of the net pension liability, schedule of the school district's pension contributions, schedule of the school district's proportionate share of the net OPEB liability, schedule of the school district's OPEB contributions, and budgetary comparison information, we 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 regarding 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.

Report on Other Supplementary Information

With respect to the other supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Appendix II Matters for Management's Consideration

In planning and performing our audit of the financial statements of Oxford Community Schools as of and for the year ended June 30, 2019, we considered Oxford Community Schools' internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

However, during our audit we became aware of several matters for management's consideration that are opportunities for strengthening internal controls. This letter does not affect our report dated September 30, 2019, on the financial statements of Oxford Community Schools. Our comments and recommendations regarding those matters are:

ORS Discrepancies

During our testing of pension and OPEB contributions, we noted that there were several discrepancies being reported on the ORS validation reports. The discrepancies were brought to the District's attention during audit fieldwork and have been subsequently corrected by management. We recommend that management review the ORS validation reports after every pay date and review for any discrepancies. This will help to ensure that the District is contributing the correct amount for all employees to ORS.

Deficit Fund Balance

The Community Service Fund has an unassigned deficit of \$125,239. This deficit is the result of operating deficits. We recommend the District maintain tight budgetary controls over this fund to ensure timely elimination of the deficit.

Prior Year Comments

- Timeliness of Reporting and Reconciliations – corrected
- Deficit Fund Balance – uncorrected, see above
- Federal Equipment Listing – corrected
- Approval of Federal Equipment Purchases – corrected
- Grant Reimbursement Request – corrected
- Audit Adjustments Required – uncorrected, see single audit report for material weakness