

Oxford Community Schools

Financial Statements

June 30, 2020



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Oxford Community Schools
Members of the Board of Education and Administration
June 30, 2020

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, 2020, 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, 2020, 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 \$107,754 as of June 30, 2020, 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 October 7, 2020, 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
October 7, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2020

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 2020 annual financial report presents our discussion and analysis of the Oxford Community School's financial performance during the fiscal year ended June 30, 2020. 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 2010B QSCB Debt Service Fund, the 2019 Capital Projects Fund and the 2020 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
June 30, 2020

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 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 and 4 - 9.

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, 2020

The School District as a Whole

Summary of the Statement of Net Position (in Millions)

	2020 Governmental Activities	2019 Governmental Activities
<u>Assets</u>		
Current assets	\$ 49.26	\$ 34.68
Capital assets, net book value	117.48	110.25
Total assets	<u>166.74</u>	<u>144.93</u>
<u>Deferred outflows of resources</u>		
Deferred amount on net pension liability	36.76	38.42
Deferred amount on net OPEB liability	9.01	6.13
Deferred amount on debt refunding	1.96	2.09
Total deferred outflows of resources	<u>48</u>	<u>47</u>
<u>Liabilities</u>		
Current liabilities	11	10
Noncurrent liabilities	301.30	276.00
Total liabilities	<u>312.41</u>	<u>286.11</u>
<u>Deferred inflows of resources</u>		
Deferred amount on net pension liability	8.29	11.96
Deferred amount on net OPEB liability	9.79	6.30
Total deferred inflows of resources	<u>330.49</u>	<u>304.37</u>
<u>Net Position</u>		
Invested in capital assets	0.23	(2.36)
Restricted	8.10	5.65
Unrestricted (deficit)	(124.34)	(116.08)
Total net position	<u>\$ (116.01)</u>	<u>\$ (112.79)</u>

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 fiscal year 2020 is negative \$116.01 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 .23 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.

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2020

- Restricted net position totaling \$8.10 million is reported separately to show legal constraints from debt covenants and funds restricted to cafeteria operations and capital projects, 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 \$124.34 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)		
	2020	2019
	Governmental Activities	Governmental Activities
<u>Revenues</u>		
Program revenues		
Charges for services	\$ 3.05	\$ 3.43
Operating grants and contributions	17.16	15.20
General revenues		
Property taxes	15.64	15.17
State aid	48.92	45.69
Investment earnings	0.12	0.29
Other	0.27	0.29
Total revenues	85.16	80.07
<u>Expenses</u>		
Instruction	\$ 49.61	\$ 47.38
Support services	29.00	25.84
Food services	2.87	2.87
Community service	1.76	2.28
Interest on long-term debt	5.16	4.40
Total expenses	88.40	82.77
Change in net assets	\$ (3.24)	\$ (2.72)

As reported in the statement of activities, the cost of all our governmental activities this year was \$88.40 million. Certain activities were partially funded by those who benefited from the programs, \$3.05 million, or by other governments and organizations that subsidized certain programs with grants and contributions, \$17.16 million. The remaining "public benefit" portion of our governmental activities was funded with \$15.64 million in taxes, \$48.92 million in State aid, and with our other revenues, i.e., interest income and general entitlements.

During fiscal year 2020, the School District experienced a decrease in net assets of \$3.24 million.

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2020

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 fiscal year 2020, the governmental funds reported a combined fund balance of approximately \$38.79 million, an increase of \$13.53 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 \$2.71 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 \$1.61 million. This increase was primarily due to expected salary and benefit costs for revised staffing levels that we experienced throughout the school year.

Economic Factors and Next Year's Budget

Our elected school board members and the administration considered many factors when setting the School District's FY20 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 2019-20 school year is 90 percent and 10 percent of the October 2019 and February 2020 student counts, respectively. The FY20 budget was adopted in June 2019, based on an estimate of students that will be enrolled in September 2019. Approximately 80 percent of total General Fund revenue is from the State portion of the foundation allowance. The budget adopted for FY20 assumes a \$8,111 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 keeps per pupil funding for 2020-21 at \$8,111. The blended student count used to formulate the FY21 budget assumes no student growth. 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

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2020

2019-20 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. Series I bonds were sold in June, 2018 with proceeds of \$9.4 million while Series II bonds were sold in October, 2019 with an additional \$9.3 million received by the district. Series III bonds were sold in June, 2020 with \$9.5 million received. Over the summer of FY19 & FY20, the district purchased twelve school buses and also embarked on upgrades to all school buildings as well as our Transportation building using 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 the summer of FY19 & FY20, the district used the sinking fund proceeds to purchase technology equipment for students as well as to support the summer construction work at the district building sites.

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 \$2,700,000 during 2019-20 into the capital project fund.

Furthermore, the district conducted two School Bond Loan Fund refinancings during the 2019-20 school year savings millions of dollars for the district taxpayers. The district participated in a refinancing in October, 2019 of School Bond Loan Fund in the amount of \$38.5 million and also in June, 2020 School Bond Loan Fund in the amount of \$7.4 million.

2020-21 School Year

Due to COVID-19, there have been many recent changes to public school funding in Michigan that impact our school district. Specifically, federal COVID-19 relief funding has become a significant portion of the overall funding for public school districts, including Oxford. In addition, the district is once again experiencing increased student growth due to several factors. One of the primary drivers of student growth this year is the continued growth within our virtual academy. Another is growth in the district due to COVID-19 and the decision by families in and around our district who have chosen Oxford Community Schools due to our decision to offer traditional in-person instruction during the Fall of FY21. We now anticipate higher general fund revenue due to this increased student growth and one-time federal COVID-19 relief funding, but this revenue will be largely offset by increased expenditures related to this growth.

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, 2020

	<u>Governmental Activities</u>
Assets	
Cash	\$ 29,653,923
Accounts receivable	23,311
Due from other governmental units	11,180,759
Inventory	92,667
Restricted cash	7,201,123
Prepaid items	1,107,886
Capital assets not being depreciated	4,289,359
Capital assets - net of accumulated depreciation	<u>113,195,181</u>
Total assets	<u>166,744,209</u>
 Deferred Outflows of Resources	
Deferred amount relating to the net pension liability	36,763,619
Deferred amount relating to the net OPEB liability	9,011,032
Deferred amount on debt refunding	<u>1,957,700</u>
Total deferred outflows of resources	<u>47,732,351</u>

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Statement of Net Position
June 30, 2020

	Governmental Activities
Liabilities	
Accounts payable	\$ 2,437,188
Due to other governmental units	1,719,037
Payroll and related withholdings	2,283,342
Accrued expenditures	638,000
Accrued salaries payable	3,964,203
Unearned revenue	67,613
Long-term liabilities	
Debt due within one year	12,864,751
Debt due in more than one year	147,611,297
Net pension liability	115,550,848
Net OPEB liability	25,272,534
Total liabilities	312,408,813
 Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	8,289,849
Deferred amount relating to the net OPEB liability	9,794,575
Total deferred inflows of resources	18,084,424
 Net position	
Net investment in capital assets	227,377
Restricted for	
Capital projects	776,437
Debt service	7,318,830
Unrestricted (deficit)	(124,339,321)
Total net position	\$ (116,016,677)

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Statement of Activities
For the Year Ended June 30, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions		
Functions/Programs				
Governmental activities				
Instruction	\$ 49,609,259	\$ 416,936	\$ 12,154,062	\$ (37,038,261)
Supporting services	28,998,537	199,018	3,038,515	(25,761,004)
Food services	2,871,145	1,471,708	680,724	(718,713)
Community services	1,758,660	965,674	471,485	(321,501)
Interest and fiscal charges on long-term debt	5,160,465	-	817,379	(4,343,086)
Total governmental activities	\$ 88,398,066	\$ 3,053,336	\$ 17,162,165	(68,182,565)
General revenues				
				5,295,185
				10,345,509
				48,923,758
				123,193
				272,702
				64,960,347
				(3,222,218)
				(112,794,459)
				\$ (116,016,677)

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Governmental Funds
Balance Sheet
June 30, 2020

	General Fund	2010B QSCB Debt Service	2019 Capital Projects Fund	2020 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 10,264,663	\$ 133,890	\$ 6,868,144	\$ 9,506,759	\$ 2,880,467	\$ 29,653,923
Investments	-	7,201,123	-	-	-	7,201,123
Accounts receivable	23,181	-	-	-	130	23,311
Due from other funds	1,639,568	-	-	-	4,569,592	6,209,160
Due from other governmental units	10,945,367	-	-	-	235,392	11,180,759
Inventory	-	-	-	-	92,667	92,667
Prepaid items	1,107,886	-	-	-	-	1,107,886
Total assets	<u>\$ 23,980,665</u>	<u>\$ 7,335,013</u>	<u>\$ 6,868,144</u>	<u>\$ 9,506,759</u>	<u>\$ 7,778,248</u>	<u>\$ 55,468,829</u>
Liabilities						
Accounts payable	\$ 288,021	\$ -	\$ 2,061,308	\$ 43,963	\$ 43,896	\$ 2,437,188
Due to other funds	4,569,592	22,292	21,106	-	1,596,170	6,209,160
Due to other governmental units	1,646,279	-	-	-	72,758	1,719,037
Payroll and related withholdings	2,280,379	-	-	-	2,963	2,283,342
Accrued salaries payable	3,958,134	-	-	-	6,069	3,964,203
Unearned revenues	-	-	-	-	67,613	67,613
Total liabilities	<u>12,742,405</u>	<u>22,292</u>	<u>2,082,414</u>	<u>43,963</u>	<u>1,789,469</u>	<u>16,680,543</u>

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Governmental Funds
Balance Sheet
June 30, 2020

	General Fund	2010B QSCB Debt Service	2019 Capital Projects Fund	2020 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance						
Non-spendable						
Inventory	-	-	-	-	92,667	92,667
Prepaid items	1,107,886	-	-	-	-	1,107,886
Restricted for						
Cafeteria	-	-	-	-	248,347	248,347
Debt service	-	7,312,721	-	-	644,109	7,956,830
Capital projects	-	-	4,785,730	9,462,796	776,437	15,024,963
Assigned for						
Long-term obligations	5,296,311	-	-	-	-	5,296,311
Assigned for 2020-21 excess budgeted expenditures over revenues	2,445,350	-	-	-	-	2,445,350
Funded education	200,000	-	-	-	-	200,000
Education solutions	88,713	-	-	-	-	88,713
Athletics	100,000	-	-	-	-	100,000
Future health care costs	2,000,000	-	-	-	-	2,000,000
Capital projects	-	-	-	-	4,334,973	4,334,973
Unassigned (deficit)	-	-	-	-	(107,754)	(107,754)
Total fund balance	<u>11,238,260</u>	<u>7,312,721</u>	<u>4,785,730</u>	<u>9,462,796</u>	<u>5,988,779</u>	<u>38,788,286</u>
Total liabilities and fund balance	<u>\$ 23,980,665</u>	<u>\$ 7,335,013</u>	<u>\$ 6,868,144</u>	<u>\$ 9,506,759</u>	<u>\$ 7,778,248</u>	<u>\$ 55,468,829</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, 2020

Total fund balances for governmental funds	\$ 38,788,286
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	4,289,359
Capital assets - net of accumulated depreciation	113,195,181
Other long-term assets are not deferred in the governmental funds.	
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	1,957,700
Deferred inflows of resources resulting from the net pension liability	(8,289,849)
Deferred outflows of resources resulting from the net pension liability	36,763,619
Deferred inflows of resources resulting from the net OPEB liability	(9,794,575)
Deferred outflows of resources resulting from the net OPEB liability	9,011,032
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(638,000)
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	(115,550,848)
Net OPEB liability	(25,272,534)
Compensated absences	(2,741,577)
Bonds payable	(157,733,470)
School bond loan payable	(1,000)
Accrued interest on school bond loan fund	(1)
Net position of governmental activities	\$ (116,016,677)

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, 2020

	General Fund	2010B QSCB Debt Service	2019 Capital Projects Fund	2020 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Local sources	\$ 6,096,644	\$ 1,483,775	\$ 4,222	\$ 275	\$ 10,831,088	\$ 18,416,004
State sources	59,308,498	-	-	-	610,019	59,918,517
Federal sources	1,369,637	817,379	-	-	1,195,815	3,382,831
Interdistrict sources	3,458,496	-	-	-	-	3,458,496
Total revenues	<u>70,233,275</u>	<u>2,301,154</u>	<u>4,222</u>	<u>275</u>	<u>12,636,922</u>	<u>85,175,848</u>
Expenditures						
Current						
Education						
Instruction	40,503,609	-	-	-	-	40,503,609
Supporting services	25,189,075	-	-	-	-	25,189,075
Food services	-	-	-	-	2,294,996	2,294,996
Community services	25,614	-	-	-	1,366,725	1,392,339
Capital outlay	859,176	-	4,471,571	-	6,563,829	11,894,576
Debt service						
Principal	322,978	-	-	-	56,917,518	57,240,496
Interest and other expenditures	36,014	993,899	-	-	3,783,034	4,812,947
Bond issuance costs	-	-	241,994	164,407	599,987	1,006,388
Total expenditures	<u>66,936,466</u>	<u>993,899</u>	<u>4,713,565</u>	<u>164,407</u>	<u>71,526,089</u>	<u>144,334,426</u>
Excess (deficiency) of revenues over expenditures	<u>3,296,809</u>	<u>1,307,255</u>	<u>(4,709,343)</u>	<u>(164,132)</u>	<u>(58,889,167)</u>	<u>(59,158,578)</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, 2020

	General Fund	2010B QSCB Debt Service	2019 Capital Projects Fund	2020 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)						
Proceeds from issuance of bonds	\$ -	\$ -	\$ 9,195,000	\$ 9,470,000	\$ 45,960,000	\$ 64,625,000
Premium on issuance of bonds	-	-	300,073	156,928	183,732	640,733
Proceeds from school bond loan fund	-	-	-	-	7,421,096	7,421,096
Transfers in	-	-	-	-	2,700,800	2,700,800
Transfers out	(2,700,800)	-	-	-	-	(2,700,800)
Total other financing sources (uses)	<u>(2,700,800)</u>	<u>-</u>	<u>9,495,073</u>	<u>9,626,928</u>	<u>56,265,628</u>	<u>72,686,829</u>
Net change in fund balance	596,009	1,307,255	4,785,730	9,462,796	(2,623,539)	13,528,251
Fund balance - beginning	<u>10,642,251</u>	<u>6,005,466</u>	<u>-</u>	<u>-</u>	<u>8,612,318</u>	<u>25,260,035</u>
Fund balance - ending	<u>\$ 11,238,260</u>	<u>\$ 7,312,721</u>	<u>\$ 4,785,730</u>	<u>\$ 9,462,796</u>	<u>\$ 5,988,779</u>	<u>\$ 38,788,286</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, 2020

Net change in fund balances - Total governmental funds	\$	13,528,251
<p>Total change in net position reported for governmental activities in the statement of activities is different because</p> <p>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.</p>		
Depreciation expense		(4,283,870)
Capital outlay		11,516,222
<p>Expenses are recorded when incurred in the statement of activities.</p> <p>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.</p>		
Net change in net pension liability		(12,750,420)
Net change in deferrals of resources related to the net pension liability		2,005,480
Interest		58,000
Interest on school bond loan fund		(422,582)
Compensated absences		(234,424)
<p>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.</p>		
Net change in net OPEB liability		2,403,126
Net change in deferrals of resources related to the net OPEB liability		(619,120)
<p>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.</p>		
Debt issued		(72,686,829)
Repayments of long-term debt		57,240,496
Amortization of premiums		1,156,241
Amortization of bond discount		(2,489)
Amortization of deferred amount on refunding		(130,300)
Change in net position of governmental activities	\$	(3,222,218)

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Fiduciary Funds
Statement of Assets and Liabilities
June 30, 2020

	<u>Agency Funds</u>
Assets	
Cash	\$ <u>727,373</u>
Liabilities	
Due to agency fund activities	\$ <u>727,373</u>

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Notes to the Financial Statements
June 30, 2020

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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2020

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.

2019 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.

2020 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 Funds – The Capital Projects Funds are used to account for the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The funds are kept open until the purpose for which the funds were created have been accomplished.

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.

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, 2020

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	
Homestead	
Non-principal resident exemption	17.7253
Commercial personal property	5.7253
Debt Service Funds	7.9000
Sinking Fund	0.7400

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

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.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2020

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 financial statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions 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 MPERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Balance – 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.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2020

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, 2020, the general fund balance represented approximately 17% of the June 30, 2020 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. 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.

Statement No. 92, *Omnibus 2020* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan. (3) The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement

Oxford Community Schools
Notes to the Financial Statements
June 30, 2020

68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits. (4) The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements. (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition. (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers. (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. (8) Terminology used to refer to derivative instruments. Management has implemented the required portions of this Statement and will implement the remaining requirements as each Statement referenced becomes effective.

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* provides a temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and provides a postponement of certain GASB Statements. This statement was effective upon issuance in May of 2020.

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, 2021.

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, 2022.

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, 2022.

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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2020

issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement is effective for the year ending June 30, 2023.

Statement No. 93, *Replacement of Interbank Offered Rates* establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. The requirements of this Statement apply to the financial statements of all state and local governments. This statement is effective for the year ending June 30, 2022.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period

of time in an exchange or exchange-like transaction. This statement is effective for the year ending June 30, 2023.

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 yearend, 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.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2020

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:

	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Instruction			
Basic programs	\$ 33,795,287	\$ 34,088,378	\$ 293,091
Supporting services			
Pupil	4,415,947	4,434,854	18,907
General administration	605,549	611,886	6,337
Business	815,014	826,947	11,933
Pupil transportation services	2,907,418	3,173,025	265,607
Community services	21,727	25,614	3,887
Debt service			
Principal	256,947	322,978	66,031
Transfers out	600,000	2,700,800	2,100,800

Fund Deficits

The School District has accumulated unassigned fund balance deficits in the Community Services Fund in the amount of \$107,754. The School District plans to eliminate the deficit through future income.

Compliance – Bond Proceeds

The 2018 Capital Projects Fund, the 2019 Capital Projects Fund and the 2020 Capital Project 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 projects related to the 2018 Capital Projects Fund were considered complete on June 30, 2020, which is the substantial completion date.

The following is a summary of the revenue and expenditures in the 2019 Capital Project Fund and 2020 Capital Projects Fund from the inception of the funds through the current fiscal year:

	2019 Capital Projects Fund	2020 Capital Projects Fund
Revenues	\$ 9,199,222	\$ 9,470,275
Expenditures	4,713,565	164,407

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	\$ 29,653,923	\$ 727,373	\$ 30,381,296
Investments	7,201,123	-	7,201,123
	<u>\$ 36,855,046</u>	<u>\$ 727,373</u>	<u>\$ 37,582,419</u>

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

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$	30,378,732
Investments in securities, mutual funds, and similar vehicles		7,201,123
Petty cash and cash on hand		2,564
Total	\$	37,582,419

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

Investment	Fair Value	Maturities	Rating	Rating Organization
TOIXX Money MMKT Fund	\$ 2,996,569	N/A	AAAm	S&P
Resolution Funding Corp. Discount Note	4,204,554	7/15/2020	AAA	S&P
	\$ 7,201,123			

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.

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, \$30,773,853 of the School District’s bank balance of \$31,023,853 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	\$ 1,011,304	\$ -	\$ -	\$ 1,011,304
Construction in progress	1,561,825	3,278,055	1,561,825	3,278,055
Total capital assets not being depreciated	2,573,129	3,278,055	1,561,825	4,289,359
Capital assets being depreciated				
Buildings and additions	163,188,995	8,914,023	-	172,103,018
Equipment and furniture	12,422,583	116,576	-	12,539,159
Buses and other vehicles	2,033,120	769,393	110,889	2,691,624
Total capital assets being depreciated	177,644,698	9,799,992	110,889	187,333,801
Less accumulated depreciation for				
Buildings and additions	59,145,748	3,438,895	-	62,584,643
Equipment and furniture	10,016,773	561,769	-	10,578,542
Buses and other vehicles	803,118	283,206	110,889	975,435
Total accumulated depreciation	69,965,639	4,283,870	110,889	74,138,620
Net capital assets being depreciated	107,679,059	5,516,122	-	113,195,181
Net capital assets	\$ 110,252,188	\$ 8,794,177	\$ 1,561,825	\$ 117,484,540

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

Governmental activities	
Instruction	\$ 3,427,096
Support services	428,387
Food services	257,032
Community services	171,355
Total governmental activities	<u>\$ 4,283,870</u>

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	2010B QSCB Debt Service	\$ 22,292
General Fund	2019 Capital Projects Fund	21,106
General Fund	Nonmajor Funds	1,596,170
Nonmajor Funds	General Fund	4,569,592
		<u>\$ 6,209,160</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>
	General Fund
	<u> </u>
<u>Transfers in</u>	
Nonmajor Funds	<u>\$ 2,700,800</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:

Grants	<u>\$ 67,613</u>
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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:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Bonds payable					
Government obligation bonds	\$ 99,256,774	\$ 64,625,000	\$ (11,707,978)	\$ 152,173,796	\$ 12,179,351
Premium on bonds	6,117,152	640,733	(1,156,241)	5,601,644	-
Discount on bonds	(44,459)	-	2,489	(41,970)	-
Total bonds payable	<u>105,329,467</u>	<u>65,265,733</u>	<u>(12,861,730)</u>	<u>157,733,470</u>	<u>12,179,351</u>
Notes from direct borrowings and direct placements					
School Bond Loan	35,532,671	7,421,096	(42,952,767)	1,000	-
Accrued interest- SBLF	2,157,170	422,582	(2,579,751)	1	-
Total notes from direct borrowings and direct placements	<u>37,689,841</u>	<u>7,843,678</u>	<u>(45,532,518)</u>	<u>1,001</u>	<u>-</u>
Other liabilities					
Compensated absences	<u>2,507,153</u>	<u>1,043,839</u>	<u>(809,415)</u>	<u>2,741,577</u>	<u>685,400</u>
Total	<u>\$ 145,526,461</u>	<u>\$ 74,153,250</u>	<u>\$ (59,203,663)</u>	<u>\$ 160,476,048</u>	<u>\$ 12,864,751</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 2016 refunding bonds due in annual installments of \$100,000 to \$9,990,000 through 2039, interest at 2.00% to 5.00%	\$	42,075,000
\$9,195,000 2018 general obligation bonds due in annual installments of \$290,000 to \$615,000 through 2048, interest at 3.50% to 4.00%		9,195,000
\$2,912,143 2007 energy bonds due in annual installments of \$322,978 to \$364,445 through 2022, interest at 3.98%		723,796
\$15,000,000 serial bonds due in one installment of \$15,000,000 in 2027, interest at 6.625% due annually		15,000,000
\$43,850,000 2015 refunding bonds series B due in annual installments of \$9,150,000 to \$9,600,000 through 2021, interest at 2.39% to 2.76%		9,600,000
\$24,580,000 2015 refunding bonds series A due in annual installments of \$2,160,000 to \$2,235,000 through 2025, interest at 5.00%		10,955,000
\$38,550,000 2019 refunding bonds series I due in annual installments of \$1,000,000 to \$6,540,000 through 2034, interest at 1.87% to 2.69%		38,550,000
\$9,195,000 2019 refunding bonds series II due in annual installments of \$290,000 to \$645,000 through 2044, interest at 2.00% to 5.00%		9,195,000
\$7,410,000 2020 refunding bonds series I due in annual installments of \$300,000 to \$2,800,000 through 2031, interest at 2.00%		7,410,000
\$9,470,000 2020 refunding bonds series II due in annual installments of \$500,000 to \$1,125,000 through 2041, interest at 2.00% to 2.28%		<u>9,470,000</u>
Total general obligation bonded debt	\$	<u>152,173,796</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
2021	\$ 12,179,351	\$ 5,564,898
2022	12,559,445	5,044,840
2023	6,295,000	4,418,819
2024	6,550,000	4,150,191
2025	7,000,000	3,854,736
2026 - 2030	57,515,000	12,515,513
2031 - 2035	31,630,000	4,353,120
2036 - 2040	10,445,000	2,032,137
2041 - 2045	6,460,000	728,603
2046 - 2050	1,540,000	92,715
Total	<u>\$ 152,173,796</u>	<u>\$ 42,755,572</u>

The general obligation bonds are payable from the Debt Service Funds. As of yearend, the Debt Service Funds had a collective balance of \$7,956,830. Future debt and interest will be payable from future tax levies. Interest expense for the year ended June 30, 2020 was \$4,776,933.

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 School

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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 \$2,741,577 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	\$ 2,088,000	-	\$ (130,300)	\$ 1,957,700

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	\$ 13,930,000
2001 School Building and Site Bonds	<u>26,925,000</u>
	<u>\$ 40,855,000</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, 2018 valuation will be amortized over a 20-year period beginning Oct. 1, 2018 and ending Sept. 30, 2038.

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The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2019.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	18.25%
Member Investment	3.0 - 7.0%	18.25%
Pension Plus	3.0 - 6.4%	16.46%
Pension Plus 2	6.2%	19.59%
Defined Contribution	0.0%	13.39%

Required contributions to the pension plan from the School District were \$9,269,217 for the year ending September 30, 2019.

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

At June 30, 2020, the School District reported a liability of \$115,550,848 for its proportionate share of the MPERS net pension liability. The net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2018. 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, 2019, the School District's proportion was .3489 percent, which was an increase of .0070 percent from its proportion measured as of September 30, 2018.

For the plan year ending September 30, 2019, the School District recognized pension expense of \$20,782,684 for the measurement period. For the reporting period ending June 30, 2020, the School District recognized total pension contribution expense of \$10,057,782.

At June 30, 2020, 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	\$ 517,936	\$ (481,836)	\$ 36,100
Changes of assumptions	22,624,937	-	22,624,937
Net difference between projected and actual earnings on pension plan investments	-	(3,703,208)	(3,703,208)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	4,139,337	(224,715)	3,914,622
Total to be recognized in future	27,282,210	(4,409,759)	22,872,451
School District contributions subsequent to the measurement date	9,481,409	(3,880,090)	5,601,319
Total	<u>\$ 36,763,619</u>	<u>\$ (8,289,849)</u>	<u>\$ 28,473,770</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. The District will offset the contribution expense in the year ended June 30, 2021 with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
2020	\$ 9,507,141
2021	7,146,776
2022	4,468,633
2023	1,749,901
	<u>\$ 22,872,451</u>

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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, 2018
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
 - MIP and Basic Plans 6.80%
 - Pension Plus Plan 6.80%
 - 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, 2019, is based on the results of an actuarial valuation date of September 30, 2018, 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 is 4.4977 years.

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2019 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, 2019, 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 %	5.5 %
Alternative Investment Pools	18.0	8.6
International Equity	16.0	7.3
Fixed Income Pools	10.5	1.2
Real Estate and Infrastructure Pools	10.0	4.2
Absolute Return Pools	15.5	5.4
Short Term Investment Pools	2.0	0.8
	<u>100.0%</u>	

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

Rate of Return

For the plan year ended September 30, 2019, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 5.14%. 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 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.80% (6.80% 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 6.80% (6.80% for the Pension plus plan, 6.0% for the Pension Plus 2 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 *
5.80% / 5.80% / 5.00%	6.80% / 6.80% / 6.00%	7.80% / 7.80% / 7.00%
\$ 150,223,494	\$ 115,550,848	\$ 86,806,029

*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 with fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the

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

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

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

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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, 2018 valuation will be amortized over a 20-year period beginning Oct. 1, 2018 and ending Sept. 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2019.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	7.93%
Personal Healthcare Fund (PHF)	0.0%	7.57%

Required contributions to the OPEB plan from the School District were \$2,417,515 for the year ended September 30, 2019.

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

At June 30, 2020, the School District reported a liability of \$25,272,534 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward

from September 2018. 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, 2019, the School District's proportion was .3521 percent, which was an increase of .0039 percent from its proportion measured as of September 30, 2018.

For the plan year ending September 30, 2019, the School District recognized OPEB expense of \$918,371 for the measurement period. For the reporting period ending June 30, 2020, the School District recognized total OPEB contribution expense of \$2,672,896.

At June 30, 2020, 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	\$ -	\$ (9,273,207)	\$ (9,273,207)
Changes of assumptions	5,476,047	-	5,476,047
Net difference between projected and actual earnings on OPEB plan investments	-	(439,501)	(439,501)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	1,124,356	(81,867)	1,042,489
Total to be recognized in future	6,600,403	(9,794,575)	(3,194,172)
School District contributions subsequent to the measurement date	2,410,629	-	2,884,863
Total	<u>\$ 9,011,032</u>	<u>\$ (9,794,575)</u>	<u>\$ (309,309)</u>

Oxford Community Schools
Notes to the Financial Statements
June 30, 2020

Contributions subsequent to the measurement date reported as deferred outflows of resources related to other postemployment benefits resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in other postemployment benefits expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future OPEB Expenses)		
2020	\$	(904,599)
2021		(904,599)
2022		(685,341)
2023		(430,122)
2024		(269,511)
	\$	(3,194,172)

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, 2018
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.95%

- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: 7.5% Year 1 graded to 3.5% 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, 2019, is based on the results of an actuarial valuation date of September 30, 2018, 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 is 5.7101 years.

Recognition period for assets is 5 years.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2020

Full actuarial assumptions are available in the 2019 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, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	28.0 %	5.5 %
Alternative Investment Pools	18.0	8.6
International Equity	16.0	7.3
Fixed Income Pools	10.5	1.2
Real Estate and Infrastructure Pools	10.0	4.2
Absolute Return Pools	15.5	5.4
Short Term Investment Pools	2.0	0.8
	<u>100.0%</u>	

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

Rate of Return

For the plan year ended September 30, 2019, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 5.37%. 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 6.95% 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 6.95%. 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 6.95%, 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 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
<u>\$ 31,000,561</u>	<u>\$ 25,272,534</u>	<u>\$ 20,462,583</u>

Oxford Community Schools
Notes to the Financial Statements
June 30, 2020

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
\$ 20,258,662	\$ 25,272,534	\$ 30,999,881

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, 2020.

Note 12 - Coronavirus Pandemic

As result of the global coronavirus pandemic of 2020, the financial picture for Michigan School Districts has seen an unanticipated change. The duration and full effects of the outbreak are currently

unknown, as the local and global picture continues to change frequently. To reduce the chance of spreading COVID-19; in March 2020, public schools were closed for the remainder of the 2019-2020 school year. As a result of the pandemic, the State of Michigan encountered a revenue shortfall resulting in a revenue reduction for Districts of \$175 per pupil which reduced the state aid payment in August of 2020. Subsequent to year end, multiple new revenue sources were approved; including Public Act 123 of 2020 which provides Districts an approximate \$12.32 per pupil and Public Act 146 of 2020 which provides Districts \$350 per pupil. These new revenue streams approved after June 30, 2020 will be recognized in the fiscal year ended June 30, 2021 in accordance with reporting criteria established by the Governmental Accounting Standards Board. Additionally, the “Return to Learn” legislation passed subsequent to year end which modifies the per pupil foundation allowance calculation and allows flexibilities in the days and attendance requirements for Districts. Local districts are able to decide whether to provide instruction virtually or face to face for the 2020-2021 school year. Currently, it is not possible to estimate the full extent of any potential impacts to the District or to determine if any changes in fair values are other than temporary in nature. Accordingly, no adjustments to the financial statements were made as a result of these events.

REQUIRED SUPPLEMENTARY INFORMATION

Oxford Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Revenues				
Local sources	\$ 5,836,827	\$ 6,163,053	\$ 6,096,644	\$ (66,409)
State sources	56,678,439	58,604,538	59,308,498	703,960
Federal sources	1,710,427	1,579,734	1,369,637	(210,097)
Interdistrict sources	2,355,006	2,947,236	3,458,496	511,260
Total revenues	<u>66,580,699</u>	<u>69,294,561</u>	<u>70,233,275</u>	<u>938,714</u>
Expenditures				
Instruction				
Basic programs	34,066,633	33,795,287	34,088,378	293,091
Added needs	6,691,690	6,694,202	6,415,231	(278,971)
Supporting services				
Pupil	3,985,538	4,415,947	4,434,854	18,907
Instructional staff	3,098,390	3,453,257	3,441,961	(11,296)
General administration	501,436	605,549	611,886	6,337
School administration	4,279,179	4,370,348	4,325,853	(44,495)
Business	769,623	815,014	826,947	11,933
Operations and maintenance	4,099,111	4,748,626	4,498,952	(249,674)
Pupil transportation services	2,546,837	2,907,418	3,173,025	265,607
Central	3,074,993	3,099,461	2,824,455	(275,006)
Athletics	1,141,110	1,090,000	978,478	(111,522)
Other	88,935	85,540	72,664	(12,876)
Community services	60,903	21,727	25,614	3,887

Oxford Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
Capital outlay	\$ 1,334,205	\$ 1,251,437	\$ 859,176	\$ (392,261)
Debt service				
Principal	256,947	256,947	322,978	66,031
Interest and fiscal charges	58,983	58,983	36,014	(22,969)
Total expenditures	<u>66,054,513</u>	<u>67,669,743</u>	<u>66,936,466</u>	<u>(733,277)</u>
Excess (deficiency) of revenues over expenditures	526,186	1,624,818	3,296,809	1,671,991
Other financing uses				
Transfers out	<u>(500,000)</u>	<u>(600,000)</u>	<u>(2,700,800)</u>	<u>2,100,800</u>
Net change in fund balance	26,186	1,024,818	596,009	(428,809)
Fund balance - beginning	<u>10,642,251</u>	<u>10,642,251</u>	<u>10,642,251</u>	<u>-</u>
Fund balance - ending	<u>\$ 10,668,437</u>	<u>\$ 11,667,069</u>	<u>\$ 11,238,260</u>	<u>\$ (428,809)</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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
A. Reporting unit's proportion of net pension liability (%)	0.3521%	0.3420%	0.3337%	0.3187%	0.3046%	0.2838%				
B. Reporting unit's proportionate share of net pension liability	\$ 115,550,848	\$ 102,800,428	\$ 86,486,079	\$ 79,520,006	\$ 74,392,743	\$ 62,502,002				
C. Reporting unit's covered employee payroll	\$ 30,789,463	\$ 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	375%	345%	305%	288.86%	291.89%	258.53%				
E. Plan fiduciary net position as a percentage of total pension liability	60.31%	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,									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
A.	Statutorily required contributions	\$ 10,057,782	\$ 9,404,137	\$ 7,827,962	\$ 7,157,201	\$ 5,875,664	\$ 4,406,934				
B.	Contributions in relation to statutorily required contributions	<u>10,057,782</u>	<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>	<u>\$ -</u>				
D.	Reporting unit's covered employee payroll	\$ 32,993,535	\$ 31,337,102	\$ 29,414,145	\$ 27,793,403	\$ 26,265,248	\$ 25,279,228				
E.	Contributions as a percentage of covered-employee payroll	30.48%	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)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
A. Reporting unit's proportion of net OPEB liability (%)	0.3521%	0.3482%	0.3340%							
B. Reporting unit's proportionate share of net OPEB liability	\$ 25,272,534	\$ 27,675,660	\$ 29,575,736							
C. Reporting unit's covered-employee payroll	\$ 30,789,463	\$ 29,793,043	\$ 28,365,885							
D. Reporting unit's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	82.08%	92.89%	104.27%							
E. Plan fiduciary net position as a percentage of total OPEB liability	48.46%	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,									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
A.	Statutorily required contributions	\$ 2,672,896	\$ 2,463,693	\$ 2,600,195							
B.	Contributions in relation to statutorily required contributions	<u>2,672,896</u>	<u>2,463,693</u>	<u>2,600,195</u>							
C.	Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>							
D.	Reporting unit's covered-employee payroll	\$ 32,993,535	\$ 31,337,102	\$ 29,414,145							
E.	Contributions as a percentage of covered-employee payroll	8.10%	7.86%	8.84%							

OTHER SUPPLEMENTARY INFORMATION



**Oxford Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2020**

	Special Revenue Funds		Debt Service Funds				Capital Project Funds			Total Nonmajor Governmental Funds	
	Cafeteria	Community Services	2015A Debt Service	2015B Debt Service	2016 Debt Service	2018 Debt Service	SBLF Refunding	2018 Sinking Fund	2018 Capital Projects Fund		Capital Projects Fund
Assets											
Cash	\$ 214,351	\$ 52,606	\$ 78,238	\$ 234,709	\$ 67,615	\$ 15,145	\$ 49,952	\$ 779,268	\$ -	\$ 1,388,583	\$ 2,880,467
Accounts receivable	130	-	-	-	-	-	-	-	-	-	130
Due from other funds	-	-	-	-	292,923	126,365	-	-	-	4,150,304	4,569,592
Due from other governmental units	127,183	108,209	-	-	-	-	-	-	-	-	235,392
Inventory	92,667	-	-	-	-	-	-	-	-	-	92,667
Total assets	\$ 434,331	\$ 160,815	\$ 78,238	\$ 234,709	\$ 360,538	\$ 141,510	\$ 49,952	\$ 779,268	\$ -	\$ 5,538,887	\$ 7,778,248
Liabilities											
Accounts payable	\$ 435	\$ 573	\$ -	\$ -	\$ -	\$ -	\$ 42,888	\$ -	\$ -	\$ -	\$ 43,896
Due to other funds	53,117	158,358	28,993	146,764	-	-	2,193	2,831	-	1,203,914	1,596,170
Due to other governmental units	30,733	42,025	-	-	-	-	-	-	-	-	72,758
Payroll and related withholdings	2,963	-	-	-	-	-	-	-	-	-	2,963
Accrued salaries payable	6,069	-	-	-	-	-	-	-	-	-	6,069
Unearned revenues	-	67,613	-	-	-	-	-	-	-	-	67,613
Total liabilities	93,317	268,569	28,993	146,764	-	-	45,081	2,831	-	1,203,914	1,789,469
Fund Balance											
Non-spendable											
Inventory	92,667	-	-	-	-	-	-	-	-	-	92,667
Restricted for											
Cafeteria	248,347	-	-	-	-	-	-	-	-	-	248,347
Debt service	-	-	49,245	87,945	360,538	141,510	4,871	-	-	-	644,109
Capital projects	-	-	-	-	-	-	-	776,437	-	-	776,437
Assigned											
Capital projects	-	-	-	-	-	-	-	-	-	4,334,973	4,334,973
Unassigned (deficit)	-	(107,754)	-	-	-	-	-	-	-	-	(107,754)
Total fund balance	341,014	(107,754)	49,245	87,945	360,538	141,510	4,871	776,437	-	4,334,973	5,988,779
Total liabilities and fund balance	\$ 434,331	\$ 160,815	\$ 78,238	\$ 234,709	\$ 360,538	\$ 141,510	\$ 49,952	\$ 779,268	\$ -	\$ 5,538,887	\$ 7,778,248

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, 2020

	Special Revenue Funds		Debt Service Funds					Capital Project Funds			Total Nonmajor Governmental Funds
	Cafeteria	Community Services	2015A Debt Service	2015B Debt Service	2016 Debt Service	2018 Debt Service	SBLF Refunding	2018 Sinking Fund	2018 Capital Projects Fund	Capital Projects Fund	
Revenues											
Local sources	\$ 991,153	\$ 862,606	\$ 1,595,198	\$ 4,691,555	\$ 1,379,044	\$ 317,565	\$ 57,593	\$ 871,606	\$ 64,081	\$ 687	\$ 10,831,088
State sources	130,138	479,881	-	-	-	-	-	-	-	-	610,019
Federal sources	1,161,615	34,200	-	-	-	-	-	-	-	-	1,195,815
Total revenues	<u>2,282,906</u>	<u>1,376,687</u>	<u>1,595,198</u>	<u>4,691,555</u>	<u>1,379,044</u>	<u>317,565</u>	<u>57,593</u>	<u>871,606</u>	<u>64,081</u>	<u>687</u>	<u>12,636,922</u>
Expenditures											
Current											
Education											
Food services	2,294,996	-	-	-	-	-	-	-	-	-	2,294,996
Community services	-	1,366,725	-	-	-	-	-	-	-	-	1,366,725
Capital outlay	-	-	-	-	-	-	-	291,695	5,734,443	537,691	6,563,829
Debt service											
Principal	-	-	2,235,000	9,150,000	-	-	45,532,518	-	-	-	56,917,518
Interest and other expenditures	-	-	660,000	550,467	1,709,025	354,965	508,577	-	-	-	3,783,034
Bond issuance costs	-	-	-	-	-	-	599,987	-	-	-	599,987
Total expenditures	<u>2,294,996</u>	<u>1,366,725</u>	<u>2,895,000</u>	<u>9,700,467</u>	<u>1,709,025</u>	<u>354,965</u>	<u>46,641,082</u>	<u>291,695</u>	<u>5,734,443</u>	<u>537,691</u>	<u>71,526,089</u>
Excess (deficiency) of revenues over expenditures	<u>(12,090)</u>	<u>9,962</u>	<u>(1,299,802)</u>	<u>(5,008,912)</u>	<u>(329,981)</u>	<u>(37,400)</u>	<u>(46,583,489)</u>	<u>579,911</u>	<u>(5,670,362)</u>	<u>(537,004)</u>	<u>(58,889,167)</u>
Other financing sources (uses)											
Proceeds from issuance of bonds	-	-	-	-	-	-	45,960,000	-	-	-	45,960,000
Premium on issuance of bonds	-	-	-	-	-	-	183,732	-	-	-	183,732
Proceeds from school bond loan fund	-	-	1,349,047	5,096,857	484,676	45,888	444,628	-	-	-	7,421,096
Transfers in	-	800	-	-	-	-	-	-	-	2,700,000	2,700,800
Total other financing sources (uses)	<u>-</u>	<u>800</u>	<u>1,349,047</u>	<u>5,096,857</u>	<u>484,676</u>	<u>45,888</u>	<u>46,588,360</u>	<u>-</u>	<u>-</u>	<u>2,700,000</u>	<u>56,265,628</u>
Net change in fund balance	(12,090)	10,762	49,245	87,945	154,695	8,488	4,871	579,911	(5,670,362)	2,162,996	(2,623,539)
Fund balance - beginning	353,104	(118,516)	-	-	205,843	133,022	-	196,526	5,670,362	2,171,977	8,612,318
Fund balance - ending	<u>\$ 341,014</u>	<u>\$ (107,754)</u>	<u>\$ 49,245</u>	<u>\$ 87,945</u>	<u>\$ 360,538</u>	<u>\$ 141,510</u>	<u>\$ 4,871</u>	<u>\$ 776,437</u>	<u>\$ -</u>	<u>\$ 4,334,973</u>	<u>\$ 5,988,779</u>

Oxford Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
General Fund Combining Balance Sheet
June 30, 2020

	General Education	Special Education	Education Solutions	Athletics	Health Care Reserve	General Fund
Assets						
Cash	\$ 10,264,457	\$ 206	\$ -	\$ -	\$ -	\$ 10,264,663
Accounts receivable	23,181	-	-	-	-	23,181
Due from other funds	-	583,227	57,604	141,834	2,000,000	2,782,665
Due from other governmental units	9,153,932	746,849	1,044,586	-	-	10,945,367
Prepaid items	1,071,548	-	-	36,338	-	1,107,886
Total assets	\$ 20,513,118	\$ 1,330,282	\$ 1,102,190	\$ 178,172	\$ 2,000,000	\$ 25,123,762
Liabilities						
Accounts payable	\$ 264,910	\$ 15,253	\$ -	\$ 7,858	\$ -	\$ 288,021
Due to other funds	5,712,689	-	-	-	-	5,712,689
Due to other governmental units	395,943	221,696	1,013,477	15,163	-	1,646,279
Payroll and related withholdings	1,996,246	278,027	-	6,106	-	2,280,379
Accrued salaries payable	3,330,121	615,306	-	12,707	-	3,958,134
Total liabilities	11,699,909	1,130,282	1,013,477	41,834	-	13,885,502
Fund Balance						
Non-spendable						
Prepaid items	1,071,548	-	-	36,338	-	1,107,886
Assigned						
Long-term obligations	5,296,311	-	-	-	-	5,296,311
Assigned for 2020-21 excess budgeted expenditures over revenues	2,445,350	-	-	-	-	2,445,350
Funded education	-	200,000	-	-	-	200,000
Education solutions	-	-	88,713	-	-	88,713
Athletics	-	-	-	100,000	-	100,000
Future health care costs	-	-	-	-	2,000,000	2,000,000
Total fund balance	8,813,209	200,000	88,713	136,338	2,000,000	11,238,260
Total liabilities and fund balance	\$ 20,513,118	\$ 1,330,282	\$ 1,102,190	\$ 178,172	\$ 2,000,000	\$ 25,123,762

Oxford Community Schools
Other Supplementary Information
General Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2020

	General Education	Special Education	Education Solutions	Athletics	Health Care Reserve	General Fund
Revenues						
Local sources	\$ 5,875,998	\$ -	\$ 157,464	\$ 63,182	\$ -	\$ 6,096,644
State sources	55,791,969	3,516,529	-	-	-	59,308,498
Federal sources	313,930	1,055,707	-	-	-	1,369,637
Interdistrict sources	857,846	2,600,650	-	-	-	3,458,496
Total revenues	<u>62,839,743</u>	<u>7,172,886</u>	<u>157,464</u>	<u>63,182</u>	<u>-</u>	<u>70,233,275</u>
Expenditures						
Current						
Education						
Instruction	35,443,237	5,060,372	-	-	-	40,503,609
Supporting services	20,699,843	3,407,410	81,519	1,000,303	-	25,189,075
Community services	25,614	-	-	-	-	25,614
Capital outlay	849,557	495	-	9,124	-	859,176
Debt service						
Principal	322,978	-	-	-	-	322,978
Interest and other expenditures	36,014	-	-	-	-	36,014
Total expenditures	<u>57,377,243</u>	<u>8,468,277</u>	<u>81,519</u>	<u>1,009,427</u>	<u>-</u>	<u>66,936,466</u>
Excess (deficiency) of revenues over expenditures	5,462,500	(1,295,391)	75,945	(946,245)	-	3,296,809
Other financing sources (uses)						
Transfers in (out)	<u>(5,267,156)</u>	<u>1,495,391</u>	<u>-</u>	<u>1,070,965</u>	<u>-</u>	<u>(2,700,800)</u>
Net change in fund balance	195,344	200,000	75,945	124,720	-	596,009
Fund balance - beginning	<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>
Fund balance - ending	<u>\$ 8,813,209</u>	<u>\$ 200,000</u>	<u>\$ 88,713</u>	<u>\$ 136,338</u>	<u>\$ 2,000,000</u>	<u>\$ 11,238,260</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2020

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>
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>\$ 3,478,125</u>	<u>\$ 3,478,125</u>	<u>\$ 15,000,000</u>	<u>\$ 21,956,250</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2020

2007 Energy Bond

Year Ending June 30,	Interest Rate (Percent)	Interest Due May 1	Principal Due May 1	Total
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>\$ 29,892</u>	<u>\$ 723,796</u>	<u>\$ 753,688</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2020

2015 Refunding Bonds Series A - 2004 & 2005

<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>
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>\$ 818,000</u>	<u>\$ 818,000</u>	<u>\$ 10,955,000</u>	<u>\$ 12,591,000</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2020

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>
2021	2.757	<u>\$ 132,336</u>	<u>\$ 132,336</u>	<u>\$ 9,600,000</u>	<u>\$ 9,864,672</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2020

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
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>\$ 4,740,107</u>	<u>\$ 4,433,990</u>	<u>\$ 42,075,000</u>	<u>\$ 51,249,097</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2020

2018 Capital Projects Bonds

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
2021	-	\$ 176,733	\$ 176,733	\$ -	\$ 353,466
2022	-	176,733	176,733	-	353,466
2023	4.000	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	4.000	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>\$ 3,296,812</u>	<u>\$ 3,219,015</u>	<u>\$ 9,195,000</u>	<u>\$ 15,710,827</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2020

2019 Refunding Bonds

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
2021	-	\$ 484,359	\$ 484,360	\$ -	\$ 968,719
2022	-	484,359	484,360	-	968,719
2023	1.870	484,359	475,010	1,000,000	1,959,369
2024	1.930	475,010	459,232	1,635,000	2,569,242
2025	2.060	459,232	447,181	1,170,000	2,076,413
2026	2.180	447,181	432,575	1,340,000	2,219,756
2027	2.230	432,575	417,578	1,345,000	2,195,153
2028	2.290	417,578	401,777	1,380,000	2,199,355
2029	2.340	401,777	379,255	1,925,000	2,706,032
2030	2.390	379,255	319,505	6,000,000	6,698,760
2031	2.690	306,055	236,585	6,165,000	6,707,640
2032	2.690	223,136	151,312	6,340,000	6,714,448
2033	2.690	137,863	63,349	6,540,000	6,741,212
2034	2.690	49,900	6,859	3,710,000	3,766,759
Total		<u>\$ 5,182,639</u>	<u>\$ 4,758,938</u>	<u>\$ 38,550,000</u>	<u>\$ 48,491,577</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2020

2019 School Building and Site Bonds Series II

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
2021	-	\$ 262,342	\$ 127,972	-	\$ 390,314
2022	-	127,971	127,972	-	255,943
2023	-	127,971	127,972	-	255,943
2024	-	127,971	127,972	-	255,943
2025	5.000	127,971	115,972	480,000	723,943
2026	5.000	115,971	108,722	290,000	514,693
2027	5.000	108,721	101,472	290,000	500,193
2028	5.000	101,471	94,222	290,000	485,693
2029	5.000	94,221	86,972	290,000	471,193
2030	2.000	86,971	82,772	420,000	589,743
2031	2.000	82,771	78,572	420,000	581,343
2032	2.000	78,571	74,372	420,000	572,943
2033	2.000	74,371	70,272	410,000	554,643
2034	2.130	70,282	65,809	420,000	556,091
2035	2.130	65,809	61,082	445,000	571,891
2036	2.250	61,081	55,963	455,000	572,044
2037	2.250	55,962	50,619	475,000	581,581
2038	2.250	50,618	44,994	500,000	595,612
2039	2.380	44,994	38,581	540,000	623,575
2040	2.380	38,581	31,991	555,000	625,572
2041	2.500	31,990	24,616	590,000	646,606
2042	2.500	24,615	16,866	620,000	661,481
2043	2.630	16,865	8,466	640,000	665,331
2044	2.630	8,466	-	645,000	653,466
Total		<u>\$ 1,986,557</u>	<u>\$ 1,724,223</u>	<u>\$ 9,195,000</u>	<u>\$ 12,905,780</u>

**Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2020**

2020 Refunding Bonds

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
2021	-	\$ 55,575	\$ 74,100	\$ -	\$ 129,675
2022	-	74,100	74,100	-	148,200
2023	2.000	74,100	74,100	300,000	448,200
2024	2.000	71,100	71,100	300,000	442,200
2025	-	68,100	68,100	-	136,200
2026	2.000	68,100	63,100	500,000	631,200
2027	2.000	63,100	58,100	500,000	621,200
2028	2.000	58,100	53,100	500,000	611,200
2029	2.000	53,100	48,100	500,000	601,200
2030	2.000	48,100	20,100	2,800,000	2,868,200
2031	2.000	20,100	-	2,010,000	2,030,100
Total		<u>\$ 653,575</u>	<u>\$ 604,000</u>	<u>\$ 7,410,000</u>	<u>\$ 8,667,575</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2020

2020 School Building and Site Bonds Series III

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
2021	-	\$ 79,524	\$ 106,033	-	\$ 185,557
2022	-	106,032	106,033	-	212,065
2023	-	106,032	106,033	-	212,065
2024	-	106,032	106,033	-	212,065
2025	5.000	106,032	93,533	500,000	699,565
2026	-	93,532	93,533	-	187,065
2027	-	93,532	93,533	-	187,065
2028	-	93,532	93,533	-	187,065
2029	-	93,532	93,533	-	187,065
2030	-	93,532	93,533	-	187,065
2031	-	93,532	93,533	-	187,065
2032	2.000	93,532	88,533	500,000	682,065
2033	2.000	88,532	83,533	500,000	672,065
2034	2.000	83,532	78,533	500,000	662,065
2035	2.000	78,532	68,433	1,010,000	1,156,965
2036	2.000	68,432	62,683	1,025,000	1,156,115
2037	2.000	58,182	52,433	1,045,000	1,155,615
2038	2.050	47,732	41,983	1,070,000	1,159,715
2039	2.230	36,785	30,748	1,085,000	1,152,533
2040	2.230	25,137	18,813	1,110,000	1,153,950
2041	2.280	12,794	6,325	1,125,000	1,144,119
Total		<u>\$ 1,658,034</u>	<u>\$ 1,610,880</u>	<u>\$ 9,470,000</u>	<u>\$ 12,738,914</u>

CONTINUING DISCLOSURES (UNAUDITED)

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2020**

Enrollment

Ten-year Blended Count History	Blended Count	School Year	Blended Count		
2020-2021 Initial Budget	6,841	2014-2015	5,504		
2019-2020	6,846	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		
2019-20	Enrollment	Grade	Enrollment	Grade	Enrollment
Early On/ECSE	19	7th	400	Oxford Virtual Academy	1,230
Kindergarten	404	8th	381	Early College	281
1st	297	9th	394	Oxford Crossroads	29
2nd	338	10th	412	Bishop Kelley Catholic Shared Time	34
3rd	316	11th	358	Genesee Christian Shared Time	34
4th	309	12th	413	Holy Family Catholic Shared Time	29
5th	327	Post High School	15	Holy Rosary Catholic Shared Time	13
6th	339	Oxford Bridges	49	Huron Valley Lutheran Shared Time	14
		EMC>1.0 FTE	38	Inter City Baptist Shared Time	30
		Sec 25e Adjust	6	Lake Orion Baptist Shared Time	1
		Sec 23a	17	Lutheran Northwest Shared Time	5
				Lutheran Westland Shared Time	5
				Macomb Christian Shared Time	2
				Novi Christian Shared Time	6
				Oakland Christian Shared Time	10
				Plymouth Christian Shared Time	36
				Powers Catholic HS Shared Time	28
				St Fabian Catholic Shared Time	23
				St Isaac Jogues Catholic Shared Time	5
				St. John Evangelist Shared Time	36
				St. John Vianney Shared Time	20
				St. Joseph Shared Time	80
				St. Matthew Lutheran Shared Time	14
				St. Pius X Shared Time	21
				St. Robert Bellarmine Shared Time	19
				Washtenaw Christain Shared Time	9

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2020**

Labor Relations

Class	Number	Affiliation	Contract Expires
Teachers and Instructional Staff	301	Oxford Education Association	8/31/2022
OVA Teachers and St Joseph Teachers	134	Not affiliated	N/A
Transportation, Food Service, Maintenance	79	AFSCME	8/31/2022
Administrators	17	Oxford Administrators Association	7/31/2022
Secretaries & Paraprofessionals	76	OESPA	6/30/2022
Child Care	29	Not affiliated	N/A
Tutorial Assistants	1	Not affiliated	N/A
Crossing Guards	-	Not affiliated	N/A
Central Office Administrative Support	17	Not affiliated	N/A
Central Office Administrators	8	Not affiliated	N/A
Sub Employees (childcare, food service, trans, teach)	29	Not affiliated	N/A
Other Employees	49	Not affiliated	N/A
TOTAL	740		

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2020**

Retirement Plan

Contributions Period	Contribution Rate	Fiscal Year Ended June 30	Contributions to MPERS	
October 1, 2020 - September 30, 2021	28.21%	2021	\$ 13,089,508	Management's estimate
October 1, 2019 - September 30, 2020	27.50%	2020	13,167,196	
October 1, 2018 - September 30, 2019	26.18%	2019	12,219,788	
October 1, 2017 - September 30, 2018	25.56%	2018	11,802,478	
October 1, 2016 - September 30, 2017	24.94%	2017	10,482,235	
October 1, 2015 - September 30, 2016	25.78%	2016	9,862,939	
October 1, 2014 - September 30, 2015	25.78%	2015	8,607,307	
October 1, 2013 - September 30, 2014	24.79%	2014	7,229,184	
October 1, 2012 - September 30, 2013	25.36%	2013	6,372,985	
October 1, 2011 - September 30, 2012	24.46%	2012	5,598,499	
November 1, 2010 - September 30, 2011	20.66%	2011	4,722,363	
October 1, 2010 - October 31, 2010	19.41%	2010	3,885,279	

Note: Starting in 2013, Contributions to MPERS amounts include State-reimbursed UAAL rate stabilization payment.

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2020**

State Aid Payments

<u>School Year</u>	<u>Blended Pupil Count</u>	<u>Total State Aid School Year</u>	
2020-2021	6,841	\$ 55,154,538	Initial budget
2019-2020	6,846	58,622,750	
2018-2019	6,519	54,560,398	
2017-2018	6,173	50,143,165	
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	

History of Valuation - State Equalized Valuation and Taxable Valuation

<u>Year</u>	<u>State Equalized Valuation</u>	<u>Taxable Valuation</u>
2020	\$ 1,564,998,201	\$ 1,225,551,911
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

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2020**

Tax Levies and Collections

<u>School Year</u>	<u>Operating Tax Levy</u>	<u>Current Collections to March 1</u>		<u>Current Collections to June 30</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2020-2021	\$ 5,279,409	In process of collection		Not available	
2019-2020	5,254,082	4,759,578	90.59%	5,149,881	98.02%
2018-2019	5,154,195	4,725,880	91.69%	5,114,712	99.23%
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%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Operating	17.6597	17.7253	17.7253	17.9153	17.8078	17.9442
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	25.5597	25.6253	25.6253	25.8153	25.7078	25.8442
Sinking Fund	0.7344	0.7404	0.7440	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, 2020**

School Bond Loan Fund

As of June 30, 2020, the School District had an outstanding balance, including interest, of \$1,001.28* 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
	10,955,000	2015A Refunding Bonds (UTQ)	08/05/2015
	9,600,000	2015B Refunding Bonds (UTQ)	08/05/2015
	42,075,000	2016 Refunding Bonds (UTQ)	08/09/2016
	9,195,000	2018 Capital Projects Bonds, Series I (UTQ)	11/07/2017
	38,550,000	2019 Refunding Bonds (UTQ)	10/22/2019
	9,195,000	2019 Capital Projects Bonds, Series II (UTQ)	11/07/2017
	9,470,000	2020 Capital Projects Bonds, Series III (UTQ)	11/07/2017
	7,410,000	2020 Refunding Bonds (UTQ)	06/16/2020
	<u>723,796</u>	2007 Energy Bond	05/23/2007
<u>\$</u>	<u>152,173,796</u>		

The taxpayers below represent 9.73% of the School District's 2020 total taxable valuation of \$1,225,551,911.

* 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	\$ 46,669,490
DTE Electric Company	Utility	22,164,331
Consumers Energy	Utility	13,382,211
Lake Villa MHC Holding LLC	Mobile Home Community	8,191,100
BKG Oxford LLC	Real Estate	6,922,590
Meijer Inc	Retail	6,066,480
701 Market Street LLC	Iron and Steel Forgings	5,759,140
American Aggregates of Mich	Sand and Gravel	4,621,380
Village Manor of Oxford LLC	Apartment Rental	2,762,760
Mills, Christiari	Entertainment Event Center	<u>2,737,870</u>
TOTAL		<u>\$ 119,277,352</u>

Sources: Township Treasurers, County Equalization

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2020**

**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 2020-2021; 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 2020-2021 which includes 17.6597 mills of ad valorem taxes to be levied on non-homestead and non-qualified agricultural property to be used for operating is as follows:

BE IT FURTHER RESOLVED, that \$68,265,469 of the total available to appropriate in the general fund is hereby appropriated in the amounts and for the purposes set forth below:

REVENUES

Local	\$ 6,138,611
State	55,154,538
Federal	1,579,734
Other	2,947,236
TOTAL REVENUES	<u>\$ 65,820,119</u>
Estimated Fund Balance July 1, 2020	11,667,069
Less non-spendable	(1,107,886)
Less assigned	(8,113,833)
TOTAL AVAILABLE TO APPROPRIATE	<u><u>\$ 68,265,469</u></u>

EXPENDITURES

Instruction	
Basic Programs	\$ 35,358,930
Added Needs	6,917,074
Support Services	
Pupil	4,511,792
Instructional Staff	3,830,232
General Administration	674,758
School Administration	4,448,672
Business Office	839,698
Maintenance	3,982,606
Transportation	2,585,315
Central	3,542,565
Athletics	1,100,000
Other - OIP	54,119
Community Services	17,628
Outgoing Transfers and Other	402,080
TOTAL APPROPRIATED	<u><u>\$ 68,265,469</u></u>

Oxford Community Schools

Single Audit

June 30, 2020



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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, 2020, and the related notes to the financial statements, which collectively comprise Oxford Community Schools' basic financial statements as of June 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated October 7, 2020.

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 2020-001 and 2020-002, 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 2020-002.

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
October 7, 2020



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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, 2020. 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, 2020.

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, 2020, and the related notes to the financial statements, which collectively comprise Oxford Community Schools' basic financial statements. We issued our report thereon dated October 7, 2020, 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
October 7, 2020

Oxford Community Schools
Schedule of Expenditures of Federal Awards
June 30, 2020

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Grant/ Project Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2019	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Adjustments	Accrued (Unearned) Revenue June 30, 2020	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	191970	\$ 140,342	\$ -	\$ 123,755	\$ 16,587	\$ 16,587	\$ -	\$ -	\$ -
School Breakfast Program	10.553	201970	82,009	-	-	82,009	82,009	-	-	-
Total School Breakfast Program			<u>222,351</u>	<u>-</u>	<u>123,755</u>	<u>98,596</u>	<u>98,596</u>	<u>-</u>	<u>-</u>	<u>-</u>
National School Lunch Program	10.555	191960	675,515	-	594,091	81,424	81,424	-	-	-
COVID-19 Cares Act Summer Food Service Program	10.555	200902	391,291	-	-	458,309	391,291	-	67,018	-
National School Lunch Program	10.555	201960	36,173	-	-	361,733	361,733	-	-	-
National School Lunch Program - Bonus Entitlement	10.555	FY2020	725	-	-	725	725	-	-	-
National School Lunch Program - Entitlement	10.555	FY2020	138,246	-	-	138,246	138,246	-	-	-
Total National School Lunch Program			<u>1,241,950</u>	<u>-</u>	<u>594,091</u>	<u>1,040,437</u>	<u>973,419</u>	<u>-</u>	<u>67,018</u>	<u>-</u>
Summer Food Service Program for Children	10.559	190900	55,770	8,989	35,302	20,468	29,457	-	-	-
Summer Food Service Program for Children	10.559	191900	5,781	933	3,667	2,114	3,047	-	-	-
Summer Food Service Program for Children	10.559	200901	-	-	-	-	(42,644)	-	42,644	-
Total Summer Food Service Program for Children			<u>61,551</u>	<u>9,922</u>	<u>38,969</u>	<u>22,582</u>	<u>(10,140)</u>	<u>-</u>	<u>42,644</u>	<u>-</u>
Total Child Nutrition Cluster			<u>1,525,852</u>	<u>9,922</u>	<u>756,815</u>	<u>1,161,615</u>	<u>1,061,875</u>	<u>-</u>	<u>109,662</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>1,525,852</u>	<u>9,922</u>	<u>756,815</u>	<u>1,161,615</u>	<u>1,061,875</u>	<u>-</u>	<u>109,662</u>	<u>-</u>
U.S. Department of Education										
Passed through Michigan Department of Education										
Title I Grants to Local Educational Agencies	84.010	191530	265,437	35,238	255,656	-	26,813	(8,425)	-	-
Title I Grants to Local Educational Agencies	84.010	201530	243,699	-	-	192,554	192,554	-	-	-
Total Title I Grants to Local Educational Agencies			<u>509,136</u>	<u>35,238</u>	<u>255,656</u>	<u>192,554</u>	<u>219,367</u>	<u>(8,425)</u>	<u>-</u>	<u>-</u>
Title IIA - Supporting Effective Instruction State Grant	84.367	190520	121,188	6,793	29,532	20,600	27,393	-	-	-
Title IIA - Supporting Effective Instruction State Grant	84.367	200520	138,980	-	-	66,793	66,793	-	-	-
Total Title IIA - Supporting Effective Instruction State Grant			<u>260,168</u>	<u>6,793</u>	<u>29,532</u>	<u>87,393</u>	<u>94,186</u>	<u>-</u>	<u>-</u>	<u>-</u>
Title IV Part A - Student Support and Academic Enrichment	84.424	190750	13,625	2,900	12,448	-	2,900	-	-	-
Title IV Part A - Student Support and Academic Enrichment	84.424	200750	15,441	-	-	10,702	10,702	-	-	-
Total Title IV Part A - Student Support and Academic Enrichment			<u>29,066</u>	<u>2,900</u>	<u>12,448</u>	<u>10,702</u>	<u>13,602</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Oxford Community Schools
Schedule of Expenditures of Federal Awards
June 30, 2020

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Grant/ Project Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2019	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Adjustments	Accrued (Unearned) Revenue June 30, 2020	Current Year Cash Transferred to Subrecipient
Passed through Oakland County Intermediate School District										
Special Education Cluster										
Special Education - Grants to States	84.027	180450	\$ 47,422	\$ 12,536	\$ 47,422	\$ -	\$ 12,536	\$ -	\$ -	\$ -
Special Education - Grants to States	84.027	190450	1,116,516	219,407	1,042,756	73,760	260,674	-	32,493	-
Special Education - Grants to States	84.027	200450	1,076,606	-	-	957,087	808,646	-	148,441	-
Total Special Education - Grants to States			<u>2,240,544</u>	<u>231,943</u>	<u>1,090,178</u>	<u>1,030,847</u>	<u>1,081,856</u>	<u>-</u>	<u>180,934</u>	<u>-</u>
Special Education - Preschool Grants	84.173	190460	25,304	5,291	25,304	-	5,291	-	-	-
Special Education - Preschool Grants	84.173	200460	24,860	-	-	24,860	21,774	-	3,086	-
Total Special Education - Preschool Grants			<u>50,164</u>	<u>5,291</u>	<u>25,304</u>	<u>24,860</u>	<u>27,065</u>	<u>-</u>	<u>3,086</u>	<u>-</u>
Total Special Education Cluster			<u>2,290,708</u>	<u>237,234</u>	<u>1,115,482</u>	<u>1,055,707</u>	<u>1,108,921</u>	<u>-</u>	<u>184,020</u>	<u>-</u>
Passed through Holly Schools										
English Acquisition State Grants	84.365	1819	18,005	18,005	18,005	-	18,005	-	-	-
English Acquisition State Grants	84.365	1920	11,002	-	-	11,002	11,002	-	-	-
Total English Acquisition State Grants			<u>29,007</u>	<u>18,005</u>	<u>18,005</u>	<u>11,002</u>	<u>29,007</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Education			<u>3,118,085</u>	<u>300,170</u>	<u>1,431,123</u>	<u>1,357,358</u>	<u>1,465,083</u>	<u>(8,425)</u>	<u>184,020</u>	<u>-</u>
U.S. Department of Health and Human Services										
Passed through Michigan Department of Health and Human Services										
COVID-19 Child Development and Care Block Grant	93.575	2020	34,200	-	-	34,200	5,700	-	28,500	-
Passed through Oakland County Intermediate School District										
Medical Assistance Program	93.778	FY2020	20,704	-	-	20,704	20,704	-	-	-
Total U.S. Department of Health and Human Services			<u>54,904</u>	<u>-</u>	<u>-</u>	<u>54,904</u>	<u>26,404</u>	<u>-</u>	<u>28,500</u>	<u>-</u>
Total Federal awards			<u>\$ 4,698,841</u>	<u>\$ 310,092</u>	<u>\$ 2,187,938</u>	<u>\$ 2,573,877</u>	<u>\$ 2,553,362</u>	<u>\$ (8,425)</u>	<u>\$ 322,182</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, 2020

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, 2020. 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	\$ 2,573,877
Amounts not received but reported in prior year	(8,425)
Federal interest revenue	<u>817,379</u>
Federal revenue reported on the financial statements	<u>\$ 3,382,831</u>

Note 4 - Subrecipients

No amounts were provided to subrecipients.

Note 5 - Negative Receipts Presented

The Summer Food Service Program for Children (CFDA# 10.559) is presented on the Schedule with negative receipts. This was due to an error in an April grant draw request and therefore is shown as a negative receipt to the program in fiscal year 2020. The error has been corrected on the subsequent grant auditor report.

Oxford Community Schools
Schedule of Findings and Questioned Costs
June 30, 2020

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, 2020

Section II – Government Auditing Standards Findings

Finding 2020-001, 2019-001 – Material Weakness – Audit Adjustments 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:** Material adjustments were required to adjust the UAAL liability and the health insurance liability, record additional interest income received on investments and to correct the interfund balances.
- Cause and Effect:** The UAAL liability was posted incorrectly due to a clerical error which resulted in a significant overstatement. The health insurance accrual was not adjusted to reflect the actual liability as of yearend which resulted in significant understatement. Interest income earned on an investment was not recorded and therefore the interest income and investment accounts were understated at yearend. Interfund activity was not reconciled to ensure that the balances netted to zero at yearend.
- Recommendation:** We recommend that management review the trial balance closely at yearend in order to ensure that all balances are materially correct.
- 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, 2020

Finding 2020-002, 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 \$2,100,800.

Cause and Effect: Transfers out in the General Fund were in excess of appropriations by \$2,100,800.

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.

Section III – Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2020.

Oxford Community Schools
Summary Schedule of Prior Audit Findings
June 30, 2020

Section IV – Prior Audit Findings

Government Auditing Standards Findings

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.

Status: Uncorrected.

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.

Status: Uncorrected.

Federal Award Findings

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



Tim Throne, Superintendent
Ken Weaver, Deputy Superintendent of Curriculum & Instruction
Sam Barna, Assistant Superintendent of Business & Operations
Denise Sweat, Assistant Superintendent of Student Services
David Pass, Assistant Superintendent of Human Resources

October 7, 2020

Oxford Community Schools submits the following corrective action plans concerning finding 2020-001 and 2019-001 on the schedule of findings and questioned costs:

2020-001 and 2019-001 - Material Weakness – Audit Adjustments Required

Corrective Action Plan: The Finance Department of Oxford Community Schools has implemented as of October 1, 2020, revised procedures that will review all end of year general ledgers, ensure no reconciliation are missed and create/post journal entries prior to audit fieldwork.

2020-002 and 2019-002 - Material Weakness and Material Noncompliance – Expenditures in Excess of Appropriations

Corrective Action Plan: The Finance Department of Oxford Community Schools has implemented as of October 1, 2020, revised procedures that more accurately budget expenditures within the general fund. These procedures will take a less conservative approach to budgeting transfers, including any transfers out to the capital project fund and will also attempt to more accurately forecast other transfers/expenditures prior to closing the GL for the fiscal year.

Samuel R. Barna
Assistant Superintendent of Business & Operations

October 7, 2020

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, 2020, and have issued our report dated October 7, 2020. 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.

Our communication includes the following appendices:

- I. Auditors' Communication of Significant Matters with Those Charged with Governance
- II. Matters for Management's Consideration

Matters for management's consideration are not required to be communicated but we believe are valuable for management.

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.

This information is intended solely for the information and use of management, the Board of Education, and others within the School District, and is not intended to be, and should not be, used by anyone other than these 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 June 2, 2020. 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 the footnotes of the financial statements. The Organization has adopted the following Governmental Accounting Standards Board Statements effective July 1, 2019:

- 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.
- Statement No. 92, *Omnibus 2020* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan. (3) The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits. (4) The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements. (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition. (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers. (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. (8) Terminology used to refer to derivative instruments.
- Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* provides a temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and provides a postponement of certain GASB Statements.

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.

The financial statement disclosures are neutral, consistent, and clear.

Accounting Standards and Regulatory Updates

Accounting Standards

The Governmental Accounting Standards Board has released additional Statements. Details regarding these Statements are described in Note 1 of the financial statements.

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

Regulatory and Other Updates

FER Extended Time Notification

The 2019-20 Final Expenditure Report (FER) due date is November 29, 2020. This report should reconcile to the Single Audit Report and the LEA's financial records. LEAs should verify that the figures on the report are a true and accurate representation of expenditures for each project. LEAs experiencing extenuating circumstances will be allowed to request additional time for submission prior to November 21, 2020, to the Office of Educational Supports Financial Unit at OFSFinancial-Unit@michigan.gov. Extension time is available if needed, but will not exceed December 31, 2020. Your timely submission of these reports helps ensure carryover funds are available for program implementation for the current school year.

District Guide to School-Level Expenditure Reporting Under the Every Student Succeeds Act (ESSA)

The federal Every Student Succeeds Act (ESSA) contains a new requirement that all local public school districts (local education agencies and public school academies) publish actual per-pupil expenditures by individual school building. MDE has recently published a District Guide to School-Level Expenditure Reporting under the Every Student Succeeds Act to assist districts in communication planning around this data that will be posted on the Michigan School Data website no later than June 30, 2020. This guide is intended to support district-level personnel communicating with principals, educators, community members, and media on the reporting requirement and school-level spending information. Districts are encouraged to continue to scrutinize reporting results at the building level and use building codes when applicable to properly allocate expenses to avoid future questions resulting from this data being available to the public.

Financial Accounting Guidance During the COVID-19 Pandemic

Michigan Department of Education (MDE) has issued guidance about financial accounting for transactions related to the COVID19 pandemic, school closures, and implementation of a Continuity of Learning and COVID19 Response Plan. This guidance is updated regularly and can be found using this link: https://www.michigan.gov/documents/mde/COVID-19_Accounting_Guidance_691616_7.pdf

FID Changes for 2020 and Beyond

Expenditure object code requirements submitted through the FID will be changing. The system currently allows for two-digit detail. This is being changed to require three digits. The 2019-20 submission will generate warnings for data that doesn't comply with the three-digit detail. Take note of the warnings in order to correct them prior

to the 2020-21 submission. If the data is not in compliance for the 2021 submission, error codes will be generated. The goal of this change is to potentially reduce or streamline other program specific reporting. There will also be a new error check to ensure that any buildings that have an enrollment greater than zero should have expenditures reported.

ESSER and CARES Act Accounting

As LEAs are recognizing Elementary and Secondary School Emergency Relief (ESSER) fund in revenues and expenditures, a new account code should be used. The new major class code of 414 should be used with a suffix of 0250. Expenditures should be reported under the new grant code 796. Most function codes are allowable, but the grant guidance should be referred to when determining the allowable uses of funds. MDE's guidance on what the funds can be used for can be found in the guidance memo located at https://www.michigan.gov/documents/mde/ESSER_guidance_688430_7.pdf

Summer Food Service Program

The school year ended with many LEAs experiencing changes to their food service distribution programs. With those changes in mind, we would like to encourage districts to make sure they have all the documentation in place to have successful administrative reviews. All new SFSP sponsors will be subject to a review. The focus of the administrative reviews will be on menus, production records, daily meal count sheets, and monthly claims. Keep in mind that the Unanticipated School Closure Summer Food Service Program meals ended June 30, 2020. Subsequent to this date, claims will be related to the Summer Food Service Program.

Special Education Compliance Information

The excess cost requirement testing is being implemented for 2019-20 as a pilot test. This will be completed in fall of 2020. Due to the test being in the pilot phase, any districts that do not meet the requirement will be made aware for informational purposes only, and a formal violation will not be triggered at this time.

Maintenance of Effort includes a test for compliance and a test for eligibility. The compliance testing piece went live on March 17, 2020 for the 2018-19 period, it is anticipated that all 56 ISDs will meet compliance under at least one of the four methods to calculate. The 2020-21 eligibility testing went live on June 1, 2020. These tests are being conducted at the ISD level. It is important for all LEAs to verify they are submitting accurate information to the ISD in order to have accurate data in these calculations.

Starting in fiscal year 2021, the IDEA Flowthrough and Preschool funds will move from a 27-month grant application to 15-month grant application period. Any unspent funds will be carried over to the next grant award. Additionally, there will be no IFRs starting in fiscal year 2021. Final expenditure reports will be done in CMS and final district level expenditure reports will be done in MEGS+. Starting with fiscal year 2022, grant applications will be done in NexSys, the new grants management system. It will contain both grant applications and payments.

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 misstatements were detected as a result of our audit procedures and corrected by management:

	Net Income Effect
Adjust interfund balances	\$ 63,711
Adjust UAAL liability due to clerical error	574,909
Adjust interfund cash accounts	(44,843)
Record interest income	44,387
Adjust health insurance accrual	291,857
	<u>\$ 930,021</u>

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 such 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 \$107,754 as of June 30, 2020, which has resulted from operating deficits. The deficit and status of the School District's Deficit Elimination Plan that is required by the Michigan Department of Education, are 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. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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, 2020, we considered the Oxford Community School's 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 the following matter for management's consideration that is an opportunity for strengthening internal controls. This letter does not affect our report dated October 7, 2020, on the financial statements of Oxford Community Schools. Our comment and recommendation regarding that matter are:

Deficit Fund Balance

The Community Service Fund has an unassigned deficit of \$107,754. 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.