

**Oxford Community Schools**

**Financial Statements**

**June 30, 2021**



## Table of Contents

| <b>Section</b> |   | <b>Page</b> |
|----------------|---|-------------|
| 1              | <b>Members of the Board of Education and Administration</b>   | 1 - 1       |
| 2              | <b>Independent Auditors' Report</b>   | 2 - 1       |
| 3              | <b>Management's Discussion and Analysis</b>   | 3 - 1       |
| 4              | <b>Basic Financial Statements</b>   |             |
|                | District-wide Financial Statements  |             |
|                | Statement of Net Position   | 4 - 1       |
|                | Statement of Activities   | 4 - 3       |
|                | Fund Financial Statements   |             |
|                | Governmental Funds  |             |
|                | Balance Sheet   | 4 - 4       |
|                | Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  | 4 - 6       |
|                | Statement of Revenues, Expenditures and Changes in Fund Balances  | 4 - 7       |
|                | Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 4 - 9       |
|                | Notes to the Financial Statements   | 4 - 10      |
| 5              | <b>Required Supplementary Information</b>   |             |
|                | Budgetary Comparison Schedule – General Fund  | 5 - 1       |
|                | Schedule of School District's Proportionate Share of the Net Pension Liability  | 5 - 3       |
|                | Schedule of School District's Pension Contributions   | 5 - 4       |
|                | Schedule of School District's Proportionate Share of the Net OPEB Liability   | 5 - 5       |
|                | Schedule of School District's OPEB Contributions  | 5 - 6       |

| <b>Section</b> |   | <b>Page</b> |
|----------------|---|-------------|
| 6              | <b>Other Supplementary Information</b>  |             |
|                | Nonmajor Governmental Funds   |             |
|                | Combining Balance Sheet   | 6 - 1       |
|                | Combining Statement of Revenues, Expenditures and Changes in Fund Balances              | 6 - 2       |
|                | General Fund  |             |
|                | General Fund Combining Balance Sheet  | 6 - 3       |
|                | General Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 6 - 4       |
|                | Schedule of Outstanding Bonded Indebtedness   | 6 - 5       |
| 7              | <b>Continuing Disclosures (Unaudited)</b>   | 7 - 1       |

**Oxford Community Schools**  
**Members of the Board of Education and Administration**  
**June 30, 2021**

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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

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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 (the School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2021, 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.

## **Adoption of New Accounting Standard**

As described in Note 1 to the financial statements, during the year ended June 30, 2021, the School District adopted GASB Statement No. 84, Fiduciary Activities. 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 8, 2021, 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 8, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Oxford Community Schools**  
**Management's Discussion and Analysis**  
**June 30, 2021**

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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 2021 annual financial report presents our discussion and analysis of the Oxford Community School's financial performance during the fiscal year ended June 30, 2021. 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 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.

Financial Section

- Basic Financial Statements
  - District-Wide Financial Statements
  - Fund Financial Statements
  - Notes to Financial Statements
- Required Supplementary Information
  - Budgetary Comparison Schedules – General Fund
  - Schedule of School District's Proportionate Share of the Net Pension Liability
  - Schedule of School District's Pension Contributions
  - Schedule of School District's Proportionate Share of the Net OPEB Liability
  - Schedule of School District's OPEB Contributions
- Other Supplementary Information
  - Combining Balance Sheet Nonmajor Governmental Funds
  - Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds
  - General Fund Combining Balance Sheet
  - General Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balance
  - Schedules of Bonded Indebtedness
- Continuing Disclosures Report

**Oxford Community Schools**  
**Management's Discussion and Analysis**  
**June 30, 2021**

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District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

**Oxford Community Schools**  
**Management's Discussion and Analysis**  
**June 30, 2021**

The School District as a Whole

Summary of the Statement of Net Position (in Millions)

|  | 2021<br>Governmental<br>Activities | 2020<br>Governmental<br>Activities |
|--|------------------------------------|------------------------------------|
| <u>Assets</u>                            |                                    |                                    |
| Current assets                           | \$ 48.99                           | \$ 49.26                           |
| Capital assets, net book value           | 126.82                             | 117.48                             |
| Total assets                             | <u>175.81</u>                      | <u>166.74</u>                      |
| <u>Deferred outflows of resources</u>    |                                    |                                    |
| Deferred amount on net pension liability | 33.57                              | 36.76                              |
| Deferred amount on net OPEB liability    | 12.39                              | 9.01                               |
| Deferred amount on debt refunding        | 1.83                               | 1.96                               |
| Total deferred outflows of resources     | <u>48</u>                          | <u>48</u>                          |
| <u>Liabilities</u>                       |                                    |                                    |
| Current liabilities                      | 17                                 | 11                                 |
| Noncurrent liabilities                   | 301.00                             | 301.30                             |
| Total liabilities                        | <u>318.25</u>                      | <u>312.41</u>                      |
| <u>Deferred inflows of resources</u>     |                                    |                                    |
| Deferred amount on net pension liability | 5.34                               | 8.29                               |
| Deferred amount on net OPEB liability    | 15.19                              | 9.79                               |
| Total deferred inflows of resources      | <u>338.78</u>                      | <u>330.49</u>                      |
| <u>Net Position</u>                      |                                    |                                    |
| Invested in capital assets               | 3.28                               | 0.23                               |
| Restricted                               | 9.61                               | 8.10                               |
| Unrestricted (deficit)                   | (128.07)                           | (124.34)                           |
| Total net position                       | <u>\$ (115.18)</u>                 | <u>\$ (116.01)</u>                 |

**Oxford Community Schools**  
**Management's Discussion and Analysis**  
**June 30, 2021**

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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 2021 is negative \$115.18 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 3.28 million, compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due, with any shortages made up by borrowings from the School Bond Revolving Fund.
- Restricted net position totaling \$9.61 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 \$128.07 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) |                                    |                                    |
|---|------------------------------------|------------------------------------|
|   | 2021<br>Governmental<br>Activities | 2020<br>Governmental<br>Activities |
| <u>Revenues</u>                         |                                    |                                    |
| Program revenues                        |                                    |                                    |
| Charges for services                    | \$ 4.46                            | \$ 3.05                            |
| Operating grants and contributions      | 22.81                              | 17.16                              |
| General revenues                        |                                    |                                    |
| Property taxes                          | 16.13                              | 15.64                              |
| State aid                               | 50.91                              | 48.92                              |
| Investment earnings                     | 0.03                               | 0.12                               |
| Other                                   | 0.31                               | 0.27                               |
| Total revenues                          | 94.65                              | 85.16                              |
| <u>Expenses</u>                         |                                    |                                    |
| Instruction                             | \$ 54.10                           | \$ 49.61                           |
| Support services                        | 30.88                              | 29.00                              |
| Student/school activities               | 0.58                               | -                                  |
| Food services                           | 2.44                               | 2.87                               |
| Community service                       | 1.64                               | 1.76                               |
| Interest on long-term debt              | 4.93                               | 5.16                               |
| Total expenses                          | 94.57                              | 88.40                              |
| Change in net assets                    | \$ 0.08                            | \$ (3.22)                          |

**Oxford Community Schools**  
**Management's Discussion and Analysis**  
**June 30, 2021**

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As reported in the statement of activities, the cost of all our governmental activities this year was \$94.57 million. Certain activities were partially funded by those who benefited from the programs, \$4.46 million, or by other governments and organizations that subsidized certain programs with grants and contributions, \$22.81 million. The remaining "public benefit" portion of our governmental activities was funded with \$16.13 million in taxes, \$50.91 million in State aid, and with our other revenues, i.e., interest income and general entitlements.

During fiscal year 2021, the School District experienced a decrease in net assets of \$.08 million.

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

The School District's Funds

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

At the end of fiscal year 2021, the governmental funds reported a combined fund balance of approximately \$32.49 million, a decrease of \$7.06 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 \$13.8 million. The most significant increases were due to the budgeting of higher state aide payments directly related to the increases in student count/FTE as well as the realization of one-time COVID-19 related federal funding.

Budgeted expenditures were increased from the original adopted budget by \$12.4 million. This increase was primarily due to expected salary and benefit costs for revised staffing levels that we experienced throughout the school year.

**Oxford Community Schools**  
**Management's Discussion and Analysis**  
**June 30, 2021**

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Economic Factors and Next Year's Budget

Our elected school board members and the administration considered many factors when setting the School District's FY21 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 2020-21 school year was altered by the MDE due to the pandemic for just FY21. This blended count for FY21 is called "super blend" and was based on 75 percent from FY20's 90/10 traditional blended student count and 25 percent of FY21 student count. In addition, the MDE offered a one-time categorical called Section 29a to districts that actually had an increase in student population for the 2020-21 school year, like Oxford. Oxford received the one-time section 29a funding in FY21 due to the fact that we would have had higher membership figures under the traditional 90/10 membership calculation versus the one-time super blend membership calculation. Approximately 80 percent of total General Fund revenue is from the State portion of the foundation allowance. The final amended budget adopted for FY21 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.

2021-22 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 both 2020 and 2021, the district completed parking lot and sidewalk renovations at all schools along with many other updates throughout the district's buildings and sites 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.

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 \$500,000 during 2020-21 into the capital project fund. During FY21 several projects were completed using these funds including the purchase of the 32 acre 775 W. Drahner Rd. property in Oxford Township for \$2.5 million. The ending fund balance for FY21 for the the Capital Project Fund is \$2.6 million.

**Oxford Community Schools**  
**Management's Discussion and Analysis**  
**June 30, 2021**

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Furthermore, the district conducted a School Bond Loan Fund refinancing during the 2020-21 school year saving over one million dollars for the district taxpayers. The district participated in a refinancing in June, 2021 of School Bond Loan Fund in the amount of \$7.53 million.

2021-22 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. We 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 primarily 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

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**Oxford Community Schools**  
**Statement of Net Position**  
**June 30, 2021**

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|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>Assets</b>   |                                    |
| Cash  | \$ 15,092,932                      |
| Accounts receivable                                   | 186,678                            |
| Due from other governmental units                     | 15,448,388                         |
| Inventory   | 30,090                             |
| Restricted cash                                       | 17,079,340                         |
| Prepaid items   | 1,152,977                          |
| Capital assets not being depreciated                  | 10,148,110                         |
| Capital assets - net of accumulated depreciation      | <u>116,673,520</u>                 |
| Total assets  | <u>175,812,035</u>                 |
| <br><b>Deferred Outflows of Resources</b>             |                                    |
| Deferred amount relating to the net pension liability | 33,574,679                         |
| Deferred amount relating to the net OPEB liability    | 12,390,252                         |
| Deferred amount on debt refunding                     | <u>1,827,400</u>                   |
| Total deferred outflows of resources                  | <u>47,792,331</u>                  |

See Accompanying Notes to the Financial Statements

**Oxford Community Schools**  
**Statement of Net Position**  
**June 30, 2021**

|   | Governmental<br>Activities |
|---|----------------------------|
| <b>Liabilities</b>                                    |                            |
| Accounts payable                                      | \$ 3,165,659               |
| Due to other governmental units                       | 3,496,090                  |
| Payroll and related withholdings                      | 2,757,090                  |
| Accrued expenditures                                  | 828,000                    |
| Accrued salaries payable                              | 4,619,735                  |
| Unearned revenue                                      | 2,387,450                  |
| Long-term liabilities                                 |                            |
| Debt due within one year                              | 12,960,900                 |
| Debt due in more than one year                        | 141,767,134                |
| Net pension liability                                 | 125,961,365                |
| Net OPEB liability                                    | 20,309,840                 |
| Total liabilities                                     | 318,253,263                |
| <br><b>Deferred Inflows of Resources</b>              |                            |
| Deferred amount relating to the net pension liability | 5,343,080                  |
| Deferred amount relating to the net OPEB liability    | 15,193,035                 |
| Total deferred inflows of resources                   | 20,536,115                 |
| <br><b>Net position</b>                               |                            |
| Net investment in capital assets                      | 3,275,584                  |
| Restricted for  |                            |
| Capital projects                                      | 1,677,987                  |
| Debt service  | 7,931,667                  |
| Unrestricted (deficit)                                | (128,070,250)              |
| Total net position                                    | \$ (115,185,012)           |

See Accompanying Notes to the Financial Statements

**Oxford Community Schools**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

|   | Expenses      | Program Revenues        |  | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|---|---------------|-------------------------|--|--|
| <b>Functions/Programs</b>                     |               | Charges for<br>Services | Operating<br>Grants and<br>Contributions |  |
| Governmental activities                       |               |                         |  |  |
| Instruction                                   | \$ 54,102,196 | \$ 540,676              | \$ 16,980,183                            | \$ (36,581,337)  |
| Supporting services                           | 30,882,833    | 130,519                 | 4,225,781                                | (26,526,533)   |
| Student/school activities                     | 584,265       | 624,136                 | -  | 39,871   |
| Food services                                 | 2,439,135     | 2,225,203               | 93,711                                   | (120,221)  |
| Community services                            | 1,637,646     | 935,217                 | 690,943                                  | (11,486)   |
| Interest and fiscal charges on long-term debt | 4,932,367     | -                       | 823,278                                  | (4,109,089)  |
| Total governmental activities                 | \$ 94,578,442 | \$ 4,455,751            | \$ 22,813,896                            | (67,308,795)   |
| General revenues                              |               |                         |  |  |
| Property taxes, levied for general purposes   |               |                         |  | 5,330,183  |
| Property taxes, levied for debt service       |               |                         |  | 10,804,060   |
| State aid - unrestricted                      |               |                         |  | 50,906,407   |
| Interest earnings                             |               |                         |  | 25,071   |
| Other   |               |                         |  | 311,105  |
| Total general revenues                        |               |                         |  | 67,376,826   |
| Change in net position                        |               |                         |  | 68,031   |
| Net position - beginning, as restated         |               |                         |  | (115,253,043)  |
| <b>Net position - ending</b>                  |               |                         |  | <b>\$ (115,185,012)</b>                                    |

See Accompanying Notes to the Financial Statements

**Oxford Community Schools  
Governmental Funds  
Balance Sheet  
June 30, 2021**

|                                      | General<br>Fund      | 2010B<br>QSCB<br>Debt Service | Capital<br>Projects Fund | 2020<br>Capital<br>Projects Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------|----------------------|-------------------------------|--------------------------|----------------------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>                        |                      |                               |                          |                                  |                                   |                                |
| Cash                                 | \$ 7,455,109         | \$ 24,914                     | \$ 4,286,928             | \$ 321,935                       | \$ 3,004,046                      | \$ 15,092,932                  |
| Investments                          | -                    | 8,356,966                     | -                        | 8,722,374                        | -                                 | 17,079,340                     |
| Accounts receivable                  | 181,673              | -                             | -                        | -                                | 5,005                             | 186,678                        |
| Due from other funds                 | 2,345,642            | 160,048                       | -                        | -                                | 614,998                           | 3,120,688                      |
| Due from other governmental units    | 15,195,228           | -                             | -                        | -                                | 253,160                           | 15,448,388                     |
| Inventory                            | -                    | -                             | -                        | -                                | 30,090                            | 30,090                         |
| Prepaid items                        | 1,152,977            | -                             | -                        | -                                | -                                 | 1,152,977                      |
| <b>Total assets</b>                  | <b>\$ 26,330,629</b> | <b>\$ 8,541,928</b>           | <b>\$ 4,286,928</b>      | <b>\$ 9,044,309</b>              | <b>\$ 3,907,299</b>               | <b>\$ 52,111,093</b>           |
| <b>Liabilities</b>                   |                      |                               |                          |                                  |                                   |                                |
| Accounts payable                     | \$ 964,104           | \$ -                          | \$ -                     | \$ 2,194,904                     | \$ 6,651                          | \$ 3,165,659                   |
| Due to other funds                   | 775,046              | -                             | 1,631,950                | 325,644                          | 388,048                           | 3,120,688                      |
| Due to other governmental units      | 3,437,160            | -                             | -                        | -                                | 58,930                            | 3,496,090                      |
| Payroll and related withholdings     | 2,757,090            | -                             | -                        | -                                | -                                 | 2,757,090                      |
| Accrued salaries payable             | 4,619,735            | -                             | -                        | -                                | -                                 | 4,619,735                      |
| Unearned revenues                    | 2,256,104            | -                             | -                        | -                                | 131,346                           | 2,387,450                      |
| Total liabilities                    | 14,809,239           | -                             | 1,631,950                | 2,520,548                        | 584,975                           | 19,546,712                     |
| <b>Deferred Inflows of Resources</b> |                      |                               |                          |                                  |                                   |                                |
| Unavailable revenue                  |                      |                               |                          |                                  |                                   |                                |
| Grants                               | 77,060               | -                             | -                        | -                                | -                                 | 77,060                         |

See Accompanying Notes to the Financial Statements

**Oxford Community Schools  
Governmental Funds  
Balance Sheet  
June 30, 2021**

|   | General<br>Fund      | 2010B<br>QSCB<br>Debt Service | Capital<br>Projects Fund | 2020<br>Capital<br>Projects Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|-------------------------------|--------------------------|----------------------------------|-----------------------------------|--------------------------------|
| <b>Fund Balances</b>  |                      |                               |                          |                                  |                                   |                                |
| Non-spendable   |                      |                               |                          |                                  |                                   |                                |
| Inventory   | \$ -                 | \$ -                          | \$ -                     | \$ -                             | \$ 30,090                         | \$ 30,090                      |
| Prepaid items   | 1,152,977            | -                             | -                        | -                                | -                                 | 1,152,977                      |
| Restricted for  |                      |                               |                          |                                  |                                   |                                |
| Cafeteria   | -                    | -                             | -                        | -                                | 526,834                           | 526,834                        |
| Debt service  | -                    | 8,541,928                     | -                        | -                                | 217,739                           | 8,759,667                      |
| Capital projects  | -                    | -                             | 2,654,978                | 6,523,761                        | 1,677,987                         | 10,856,726                     |
| Committed for   |                      |                               |                          |                                  |                                   |                                |
| Student/school activities                                     | -                    | -                             | -                        | -                                | 803,505                           | 803,505                        |
| Community services  | -                    | -                             | -                        | -                                | 66,169                            | 66,169                         |
| Assigned for  |                      |                               |                          |                                  |                                   |                                |
| Long-term obligations   | 7,590,659            | -                             | -                        | -                                | -                                 | 7,590,659                      |
| Funded education  | 176,093              | -                             | -                        | -                                | -                                 | 176,093                        |
| Education solutions   | 427,721              | -                             | -                        | -                                | -                                 | 427,721                        |
| Athletics   | 96,880               | -                             | -                        | -                                | -                                 | 96,880                         |
| Future health care costs                                      | 2,000,000            | -                             | -                        | -                                | -                                 | 2,000,000                      |
| Total fund balances   | <u>11,444,330</u>    | <u>8,541,928</u>              | <u>2,654,978</u>         | <u>6,523,761</u>                 | <u>3,322,324</u>                  | <u>32,487,321</u>              |
| <b>Total liabilities, deferred inflows, and fund balances</b> | <u>\$ 26,330,629</u> | <u>\$ 8,541,928</u>           | <u>\$ 4,286,928</u>      | <u>\$ 9,044,309</u>              | <u>\$ 3,907,299</u>               | <u>\$ 52,111,093</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, 2021**

---

|   |                                |
|---|--------------------------------|
| <b>Total fund balances for governmental funds</b>   | <b>\$ 32,487,321</b>           |
| Total net position for governmental activities in the statement of net position is different because:   |                                |
| Certain receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.   |                                |
| Grants  | 77,060                         |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.   |                                |
| Capital assets not being depreciated  | 10,148,110                     |
| Capital assets - net of accumulated depreciation  | 116,673,520                    |
| Other long-term assets are not deferred in the governmental funds.  |                                |
| Deferred outflows (inflows) of resources  |                                |
| Deferred outflows of resources resulting from debt refunding  | 1,827,400                      |
| Deferred inflows of resources resulting from the net pension liability  | (5,343,080)                    |
| Deferred outflows of resources resulting from the net pension liability   | 33,574,679                     |
| Deferred inflows of resources resulting from the net OPEB liability   | (15,193,035)                   |
| Deferred outflows of resources resulting from the net OPEB liability  | 12,390,252                     |
| Certain liabilities are not due and payable in the current period and are not reported in the funds.  |                                |
| Accrued interest  | (828,000)                      |
| 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   | (125,961,365)                  |
| Net OPEB liability  | (20,309,840)                   |
| Compensated absences  | (3,063,465)                    |
| Bonds payable   | (144,145,922)                  |
| School bond loan payable  | (7,476,221)                    |
| Accrued interest on school bond loan fund   | (42,426)                       |
| <b>Net position of governmental activities</b>  | <b><u>\$ (115,185,012)</u></b> |

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, 2021**

|  | General<br>Fund   | 2010B<br>QSCB<br>Debt Service | Capital<br>Projects Fund | 2020<br>Capital<br>Projects Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-------------------|-------------------------------|--------------------------|----------------------------------|-----------------------------------|--------------------------------|
| <b>Revenues</b>                                      |                   |                               |                          |                                  |                                   |                                |
| Local sources  | \$ 6,148,086      | \$ 1,399,830                  | \$ 499,212               | \$ 10,184                        | \$ 11,063,743                     | \$ 19,121,055                  |
| State sources  | 62,727,353        | -                             | -                        | -                                | 577,179                           | 63,304,532                     |
| Federal sources                                      | 5,066,640         | 823,278                       | -                        | -                                | 2,441,782                         | 8,331,700                      |
| Interdistrict sources                                | 3,797,766         | -                             | -                        | -                                | -                                 | 3,797,766                      |
| Total revenues                                       | <u>77,739,845</u> | <u>2,223,108</u>              | <u>499,212</u>           | <u>10,184</u>                    | <u>14,082,704</u>                 | <u>94,555,053</u>              |
| <b>Expenditures</b>                                  |                   |                               |                          |                                  |                                   |                                |
| Current  |                   |                               |                          |                                  |                                   |                                |
| Education  |                   |                               |                          |                                  |                                   |                                |
| Instruction  | 47,775,115        | -                             | -                        | -                                | -                                 | 47,775,115                     |
| Supporting services                                  | 27,888,471        | -                             | -                        | -                                | -                                 | 27,888,471                     |
| Student/school activities                            | -                 | -                             | -                        | -                                | 584,265                           | 584,265                        |
| Food services  | -                 | -                             | -                        | -                                | 2,124,951                         | 2,124,951                      |
| Community services                                   | 15,619            | -                             | -                        | -                                | 1,411,554                         | 1,427,173                      |
| Capital outlay                                       | 727,784           | -                             | 2,679,207                | 2,949,219                        | 4,795,858                         | 11,152,068                     |
| Debt service   |                   |                               |                          |                                  |                                   |                                |
| Principal  | 723,796           | -                             | -                        | -                                | 11,820,000                        | 12,543,796                     |
| Interest and other expenditures                      | 31,169            | 993,901                       | -                        | -                                | 4,588,324                         | 5,613,394                      |
| Total expenditures                                   | <u>77,161,954</u> | <u>993,901</u>                | <u>2,679,207</u>         | <u>2,949,219</u>                 | <u>25,324,952</u>                 | <u>109,109,233</u>             |
| Excess (deficiency) of<br>revenues over expenditures | <u>577,891</u>    | <u>1,229,207</u>              | <u>(2,179,995)</u>       | <u>(2,939,035)</u>               | <u>(11,242,248)</u>               | <u>(14,554,180)</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, 2021**

|  | General<br>Fund      | 2010B<br>QSCB<br>Debt Service | Capital<br>Projects Fund | 2020<br>Capital<br>Projects Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|-------------------------------|--------------------------|----------------------------------|-----------------------------------|--------------------------------|
| <b>Other financing sources (uses)</b>  |                      |                               |                          |                                  |                                   |                                |
| Proceeds from school bond loan fund    | \$ -                 | \$ -                          | \$ -                     | \$ -                             | \$ 7,475,221                      | \$ 7,475,221                   |
| Proceeds from sale of capital assets   | 14,360               | -                             | -                        | -                                | -                                 | 14,360                         |
| Transfers in                           | -                    | -                             | 500,000                  | -                                | -                                 | 500,000                        |
| Transfers out                          | (386,181)            | -                             | -                        | -                                | (113,819)                         | (500,000)                      |
| Total other financing sources (uses)   | <u>(371,821)</u>     | <u>-</u>                      | <u>500,000</u>           | <u>-</u>                         | <u>7,361,402</u>                  | <u>7,489,581</u>               |
| Net change in fund balances            | 206,070              | 1,229,207                     | (1,679,995)              | (2,939,035)                      | (3,880,846)                       | (7,064,599)                    |
| Fund balances - beginning, as restated | <u>11,238,260</u>    | <u>7,312,721</u>              | <u>4,334,973</u>         | <u>9,462,796</u>                 | <u>7,203,170</u>                  | <u>39,551,920</u>              |
| <b>Fund balances - ending</b>          | <u>\$ 11,444,330</u> | <u>\$ 8,541,928</u>           | <u>\$ 2,654,978</u>      | <u>\$ 6,523,761</u>              | <u>\$ 3,322,324</u>               | <u>\$ 32,487,321</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, 2021**

|  |                  |
|--|------------------|
| <b>Net change in fund balances - Total governmental funds</b>  | \$ (7,064,599)   |
| Total change in net position reported for governmental activities in the statement of activities is different because  |                  |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.  |                  |
| Grants   | 77,060           |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.   |                  |
| Depreciation expense   | (4,612,431)      |
| Capital outlay   | 13,949,521       |
| Expenses are recorded when incurred in the statement of activities.  |                  |
| The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.  |                  |
| Net change in net pension liability  | (10,410,517)     |
| Net change in deferrals of resources related to the net pension liability  | (242,171)        |
| Interest   | (190,000)        |
| Interest on school bond loan fund  | (42,425)         |
| Compensated absences   | (321,888)        |
| The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.  |                  |
| Net change in net OPEB liability   | 4,962,694        |
| Net change in deferrals of resources related to the net OPEB liability   | (2,019,240)      |
| Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or payments, as a financing source or expenditure in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities. |                  |
| Debt issued  | (7,475,221)      |
| Repayments of long-term debt   | 12,543,796       |
| Amortization of premiums   | 1,046,241        |
| Amortization of bond discount  | (2,489)          |
| Amortization of deferred amount on refunding   | (130,300)        |
| <b>Change in net position of governmental activities</b>   | <b>\$ 68,031</b> |

See Accompanying Notes to the Financial Statements

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**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. 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, 2021**

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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.

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.

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, Student/School Activities 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.

2019 Capital Projects Fund – The 2019 Capital Projects Fund is used to account for the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The fund is kept open until the purpose for which the 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, 2021**

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Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2021, the rates are as follows per \$1,000 of assessed value.

|                                  |         |
|----------------------------------|---------|
| General Fund                     |         |
| Homestead                        |         |
| Non-principal resident exemption | 17.6597 |
| Commercial personal property     | 5.6597  |
| Debt Service Funds               | 7.9000  |
| Sinking Fund                     | 0.7344  |

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 financial statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions 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, 2021**

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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 (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. 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 (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Deferred amounts on bond refundings are included in the district-wide financials statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPSERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

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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.

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, 2021, the general fund balance represented approximately 15% of the 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. 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.

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

---

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, (1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

**Upcoming Accounting and Reporting Changes**

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 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

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

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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.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, is based on the standards established in Statement No. 87 Leases. This statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. 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, 2021**

**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<br>Budget | Amount of<br>Expenditures | Budget<br>Variances |
|--------------------------------------|-----------------|---------------------------|---------------------|
| General Fund                         |                 |                           |                     |
| Instruction                          |                 |                           |                     |
| Basic programs                       | \$ 39,687,858   | \$ 40,542,482             | \$ 854,624          |
| Supporting services                  |                 |                           |                     |
| Pupil                                | 4,840,039       | 5,068,545                 | 228,506             |
| Instructional staff                  | 3,139,946       | 3,623,778                 | 483,832             |
| General administration               | 587,254         | 728,807                   | 141,553             |
| School administration                | 4,477,134       | 4,563,751                 | 86,617              |
| Athletics                            | 1,055,183       | 1,118,387                 | 63,204              |
| Community services                   | 9,403           | 15,619                    | 6,216               |
| Proceeds from sale of capital assets | -               | 14,360                    | 14,360              |

**Compliance – Bond Proceeds**

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 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<br>Projects Fund | 2020 Capital<br>Projects Fund |
|--------------|-------------------------------|-------------------------------|
| Revenues     | \$ 9,509,423                  | \$ 9,637,387                  |
| Expenditures | 9,509,423                     | 3,113,626                     |

**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<br>Activities |
|-------------|----------------------------|
| Cash        | \$ 15,092,932              |
| Investments | 17,079,340                 |
|             | <u>\$ 32,172,272</u>       |

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

|  |                      |
|--|----------------------|
| Deposits (checking, savings accounts,<br>money markets, certificates of deposit) | \$ 15,090,368        |
| Investments in securities, mutual funds,<br>and similar vehicles                 | 17,079,340           |
| Petty cash and cash on hand  | <u>2,564</u>         |
| Total  | <u>\$ 32,172,272</u> |

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

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

| Investment                             | Fair Value           | Maturities | Rating | Rating Organization |
|--|----------------------|------------|--------|---------------------|
| TOIXX Money MMKT Fund                  | \$ 8,356,966         | N/A        | AAA    | S&P                 |
| Resolution Funding Corp. Discount Note | 8,722,374            | 7/15/2020  | AAA    | S&P                 |
|  | <u>\$ 17,079,340</u> |            |        |                     |

**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, \$16,113,049 of the School District’s bank balance of \$16,363,049 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 |
|--|-------------------|---------------|--------------|----------------|
| <b>Governmental activities</b>             |                   |               |              |                |
| Capital assets not being depreciated       |                   |               |              |                |
| Land                                       | \$ 1,011,304      | \$ 1,900,000  | \$ -         | \$ 2,911,304   |
| Construction in progress                   | 3,278,055         | 7,236,806     | 3,278,055    | 7,236,806      |
| Total capital assets not being depreciated | 4,289,359         | 9,136,806     | 3,278,055    | 10,148,110     |
| Capital assets being depreciated           |                   |               |              |                |
| Buildings and additions                    | 172,103,018       | 7,241,958     | -            | 179,344,976    |
| Equipment and furniture                    | 12,539,159        | 375,723       | -            | 12,914,882     |
| Buses and other vehicles                   | 2,691,624         | 473,089       | 161,798      | 3,002,915      |
| Total capital assets being depreciated     | 187,333,801       | 8,090,770     | 161,798      | 195,262,773    |
| Less accumulated depreciation for          |                   |               |              |                |
| Buildings and additions                    | 62,584,643        | 3,863,584     | -            | 66,448,227     |
| Equipment and furniture                    | 10,578,542        | 369,675       | -            | 10,948,217     |
| Buses and other vehicles                   | 975,435           | 379,172       | 161,798      | 1,192,809      |
| Total accumulated depreciation             | 74,138,620        | 4,612,431     | 161,798      | 78,589,253     |
| Net capital assets being depreciated       | 113,195,181       | 3,478,339     | -            | 116,673,520    |
| Net capital assets                         | \$ 117,484,540    | \$ 12,615,145 | \$ 3,278,055 | \$ 126,821,630 |

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

|                                |                     |
|--------------------------------|---------------------|
| <b>Governmental activities</b> |                     |
| Instruction                    | \$ 3,689,945        |
| Support services               | 461,243             |
| Food services                  | 276,746             |
| Community services             | 184,497             |
| Total governmental activities  | <u>\$ 4,612,431</u> |

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

**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            | Capital Projects Fund      | \$ 1,631,950        |
| General Fund            | 2020 Capital Projects Fund | 325,644             |
| General Fund            | Nonmajor Funds             | 388,048             |
| 2010B QSCB Debt Service | General Fund               | 160,048             |
| Nonmajor Funds          | General Fund               | 614,998             |
|                         |                            | <u>\$ 3,120,688</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 in</u>   | <u>Transfers Out</u> |  |              |
|-----------------------|----------------------|--|--------------|
|                       | <u>General Fund</u>  | <u>Nonmajor<br/>Governmental Funds</u> | <u>Total</u> |
| Capital Projects Fund | \$ 386,181           | \$ 113,819                             | \$ 500,000   |

These transfers were made to cover the costs of School District programs that were in excess of revenues generated from those activities.

**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>\$ 2,387,450</u> |
|--------|---------------------|

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 7 - Long-Term Debt**

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

Long-term obligation activity is summarized as follows:

|   | Beginning<br>Balance  | Additions           | Reductions             | Ending<br>Balance     | Amount Due<br>Within One<br>Year |
|---|-----------------------|---------------------|------------------------|-----------------------|----------------------------------|
| <b>Bonds payable</b>  |                       |                     |                        |                       |                                  |
| Government obligation bonds                                     | \$ 152,173,796        | \$ -                | \$ (12,543,796)        | \$ 139,630,000        | \$ 12,195,000                    |
| Premium on bonds  | 5,601,644             | -                   | (1,046,241)            | 4,555,403             | -                                |
| Discount on bonds   | (41,970)              | -                   | 2,489                  | (39,481)              | -                                |
| <b>Total bonds payable</b>                                      | <u>157,733,470</u>    | <u>-</u>            | <u>(13,587,548)</u>    | <u>144,145,922</u>    | <u>12,195,000</u>                |
| <b>Notes from direct borrowings and direct placements</b>       |                       |                     |                        |                       |                                  |
| School Bond Loan  | 1,000                 | 7,475,221           | -                      | 7,476,221             | -                                |
| Accrued interest- SBLF  | 1                     | 42,425              | -                      | 42,426                | -                                |
| <b>Total notes from direct borrowings and direct placements</b> | <u>1,001</u>          | <u>7,517,646</u>    | <u>-</u>               | <u>7,518,647</u>      | <u>-</u>                         |
| <b>Other liabilities</b>  |                       |                     |                        |                       |                                  |
| Compensated absences  | <u>2,741,577</u>      | <u>1,043,839</u>    | <u>(721,951)</u>       | <u>3,063,465</u>      | <u>765,900</u>                   |
| <b>Total</b>  | <u>\$ 160,476,048</u> | <u>\$ 8,561,485</u> | <u>\$ (14,309,499)</u> | <u>\$ 154,728,034</u> | <u>\$ 12,960,900</u>             |

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

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

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          |
| \$15,000,000 serial bonds due in one installment of \$15,000,000 in 2027, interest at 6.625% due annually                                    |    | 15,000,000         |
| \$24,580,000 2015 refunding bonds series A due in annual installments of \$2,160,000 to \$2,205,000 through 2025, interest at 5.00%          |    | 8,735,000          |
| \$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>139,630,000</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:

| <u>Year Ending June 30,</u> | Bonds                 |                      |
|-----------------------------|-----------------------|----------------------|
|                             | Principal             | Interest             |
| 2022                        | \$ 12,195,000         | \$ 5,037,418         |
| 2023                        | 6,295,000             | 4,418,819            |
| 2024                        | 6,550,000             | 4,150,191            |
| 2025                        | 7,000,000             | 3,854,736            |
| 2026                        | 7,240,000             | 3,598,605            |
| 2027 - 2031                 | 59,280,000            | 10,182,221           |
| 2032 - 2036                 | 24,605,000            | 3,601,731            |
| 2037 - 2041                 | 10,715,000            | 1,752,803            |
| 2042 - 2046                 | 4,825,000             | 546,678              |
| 2047 - 2050                 | <u>925,000</u>        | <u>40,050</u>        |
| Total                       | <u>\$ 139,630,000</u> | <u>\$ 37,183,252</u> |

The general obligation bonds are payable from the Debt Service Funds. As of yearend, the Debt Service Funds had a collective balance of \$8,759,667. Future debt and interest will be payable from future tax levies. Interest expense for the year ended June 30, 2021 was \$5,572,321.

**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

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

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 \$3,063,465 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<br>Balance | Additions | Reductions   | Ending<br>Balance |
|-----------------------------------|----------------------|-----------|--------------|-------------------|
| Deferred amount on debt refunding | \$ 1,957,700         | \$ -      | \$ (130,300) | \$ 1,827,400      |

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                     | \$ 11,750,000        |
| 2001 School Building and Site Bonds | <u>24,500,000</u>    |
|                                     | <u>\$ 36,250,000</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.

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

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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](http://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, 2019 valuation will be amortized over a 19-year period beginning Oct. 1, 2019 and ending Sept. 30, 2038.

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2020.

| Pension Contribution Rates |            |                |
|----------------------------|------------|----------------|
| Benefit Structure          | Member     | Employer       |
| Basic                      | 0.0 - 4.0% | 13.39 - 19.41% |
| Member Investment Plan     | 3.0 - 7.0% | 13.39 - 19.41% |
| 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 \$10,077,067 for the year ending September 30, 2020.

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

At June 30, 2021, the School District reported a liability of \$125,961,365 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2019. 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, 2020, the School District's proportion was .3667 percent, which was an increase of .0178 percent from its proportion measured as of September 30, 2019.

For the plan year ending September 30, 2020, the School District recognized pension expense of \$21,474,685 for the measurement period. For the reporting period ending June 30, 2021, the School District recognized total pension contribution expense of \$11,900,787.

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Total         |
|--|--------------------------------------|-------------------------------------|---------------|
| Difference between expected and actual experience  | \$ 1,924,586                         | \$ (268,846)                        | \$ 1,655,740  |
| Changes of assumptions   | 13,957,734                           | -                                   | 13,957,734    |
| Net difference between projected and actual earnings on pension plan investments   | 529,233                              | -                                   | 529,233       |
| Changes in proportion and differences between the School District contributions and proportionate share of contributions | 5,882,407                            | (145,783)                           | 5,736,624     |
| Total to be recognized in future School District contributions subsequent to the measurement date                        | 22,293,960                           | (414,629)                           | 21,879,331    |
|  | 11,280,719                           | (4,928,451)                         | 6,352,268     |
| Total  | \$ 33,574,679                        | \$ (5,343,080)                      | \$ 28,231,599 |

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, 2022. The District will offset the contribution expense in the year ended June 30, 2022 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<br>(To Be Recognized in Future Pension Expenses) |               |
|--|---------------|
| 2021   | \$ 9,634,372  |
| 2022   | 6,849,576     |
| 2023   | 4,012,473     |
| 2024   | 1,382,910     |
|  | \$ 21,879,331 |

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

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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, 2019
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
  - MIP and Basic Plans: 6.80% net of investment expenses
  - Pension Plus Plan: 6.80% net of investment expenses
  - Pension Plus 2 Plan: 6.00% net of investment expenses
- 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, 2020, is based on the results of an actuarial valuation date of September 30, 2019, 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 4.4892 years.

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2020 MPSERS Comprehensive Annual Financial Report found on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

**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, 2020, are summarized in the following table:

| Asset Class                          | Target Allocation | Long Term Expected Real Rate of Return* |
|--------------------------------------|-------------------|---|
| Domestic Equity Pools                | 25.0 %            | 5.6 %                                   |
| Alternative Investment Pools         | 16.0              | 9.3                                     |
| International Equity                 | 15.0              | 7.4                                     |
| Fixed Income Pools                   | 10.5              | 0.5                                     |
| Real Estate and Infrastructure Pools | 10.0              | 4.9                                     |
| Absolute Return Pools                | 9.0               | 3.2                                     |
| Real Return/Opportunistic Pools      | 12.5              | 6.6                                     |
| Short Term Investment Pools          | 2.0               | (0.1)                                   |
|                                      | <u>100.0%</u>     |   |

\*Long-term rates of return are net of administrative expenses and 2.1% inflation.

**Rate of Return**

For the plan year ended September 30, 2020, the annual money-weighted rate of return on pension plan investment, net of pension 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 6.80% 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% |
| <u>\$ 163,035,619</u> | <u>\$ 125,961,365</u>                     | <u>\$ 95,235,072</u>  |

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

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

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

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS Comprehensive Annual Financial Report, available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

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

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

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

**Plan Description**

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

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

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

The System's financial statements are available on the ORS website at [www.michigan.gov/orsschools](http://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.

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

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.

**Contributions**

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

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2017 valuation will be amortized over a 19-year period beginning Oct. 1, 2019 and ending Sept. 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2020.

| OPEB Contribution Rates        |        |          |
|--------------------------------|--------|----------|
| Benefit Structure              | Member | Employer |
| Premium Subsidy                | 3.0%   | 8.09%    |
| Personal Healthcare Fund (PHF) | 0.0%   | 7.57%    |

Required contributions to the OPEB plan from the School District were \$2,678,494 for the year ended September 30, 2020.

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

At June 30, 2021, the School District reported a liability of \$20,309,840 for its proportionate share of the MPERS net OPEB liability. The net OPEB liability was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2019. 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, 2020, the School District's proportion was .3791 percent, which was an increase of .0270 percent from its proportion measured as of September 30, 2019.

For the plan year ending September 30, 2020, the School District recognized OPEB expense of \$95,680 for the measurement period. For the reporting period ending June 30, 2021, the School District recognized total OPEB contribution expense of \$3,052,069.

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Total                 |
|--|--------------------------------------|-------------------------------------|-----------------------|
| Difference between expected and actual experience  | \$ -                                 | \$ (15,132,729)                     | \$ (15,132,729)       |
| Changes of assumptions   | 6,696,558                            | -                                   | 6,696,558             |
| Net difference between projected and actual earnings on OPEB plan investments  | 169,508                              | -                                   | 169,508               |
| Changes in proportion and differences between the School District contributions and proportionate share of contributions | <u>2,749,892</u>                     | <u>(60,306)</u>                     | <u>2,689,586</u>      |
| Total to be recognized in future   | 9,615,958                            | (15,193,035)                        | (5,577,077)           |
| School District contributions subsequent to the measurement date   | <u>2,774,294</u>                     | <u>-</u>                            | <u>3,978,575</u>      |
| Total  | <u>\$ 12,390,252</u>                 | <u>\$ (15,193,035)</u>              | <u>\$ (1,598,502)</u> |

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows during the following plan years:

| Deferred (Inflow) and Deferred Outflow of Resources by Year<br>(To Be Recognized in Future OPEB Expenses) |                       |
|---|-----------------------|
| 2021  | \$ (1,587,640)        |
| 2022  | (1,351,540)           |
| 2023  | (1,070,183)           |
| 2024  | (886,092)             |
| 2025  | <u>(681,622)</u>      |
|   | <u>\$ (5,577,077)</u> |

**Actuarial Assumptions**

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

Additional information as of the latest actuarial valuation follows:

*Summary of Actuarial Assumptions:*

- Valuation Date: September 30, 2019
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.95% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: 7.0% Year 1 graded to 3.5% Year 15; 3.0% Year 12
- Mortality:
  - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
  - Active Members: Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

*Other Assumptions:*

- Opt Out Assumptions: 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

- 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, 2020, is based on the results of an actuarial valuation date of September 30, 2019, 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 5.6018 years.

Recognition period for assets is 5 years

Full actuarial assumptions are available in the 2020 MPSERS Comprehensive Annual Financial Report found on the ORS website at [www.michigan.gov/orsschools](http://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, 2020, are summarized in the following table:

| Asset Class                          | Target Allocation | Long Term Expected Real Rate of Return* |
|--------------------------------------|-------------------|---|
| Domestic Equity Pools                | 25.0 %            | 5.6 %                                   |
| Alternative Investment Pools         | 16.0              | 9.3                                     |
| International Equity                 | 15.0              | 7.4                                     |
| Fixed Income Pools                   | 10.5              | 0.5                                     |
| Real Estate and Infrastructure Pools | 10.0              | 4.9                                     |
| Absolute Return Pools                | 9.0               | 3.2                                     |
| Real Return/Opportunistic Pools      | 12.5              | 6.6                                     |
| Short Term Investment Pools          | 2.0               | (0.1)                                   |
|                                      | 100.0%            |   |

*\*Long-term rates of return are net of administrative expenses and 2.1% inflation.*

**Rate of Return**

For the plan year ended September 30, 2020, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 5.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

**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<br>5.95% | Current<br>Discount Rate<br>6.95% | 1% Increase<br>7.95% |
|----------------------|-----------------------------------|----------------------|
| \$ 26,090,298        | \$ 20,309,840                     | \$ 15,443,179        |

**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<br>Cost Trend Rate | 1% Increase   |
|---------------|---------------------------------------|---------------|
| \$ 15,256,844 | \$ 20,309,840                         | \$ 26,057,000 |

**OPEB Plan Fiduciary Net Position**

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued MPERS Comprehensive Annual Financial Report, available on the ORS website at [www.michigan.gov/orsschools](http://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, 2021.

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 12 - Change in Accounting Principle**

As indicated in Note 1, Governmental Accounting Standards Board Statement 84 has been adopted. The standard requires this change be applied retroactively. The impact of this change is to restate the beginning net position in the statement of activities as of July 1, 2020 by \$763,634, restating it from (\$116,016,677) to (\$115,253,043). In addition, the Student/School Activities Fund restated the beginning fund balance as of July 1, 2020 by \$763,634, restating it from \$0 to \$763,634.

## REQUIRED SUPPLEMENTARY INFORMATION

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**Oxford Community Schools**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2021**

|                               | Budgeted Amounts  |                   | Actual            | Over (Under)<br>Budget |
|-------------------------------|-------------------|-------------------|-------------------|------------------------|
|                               | Original          | Final             |                   |                        |
| <b>Revenues</b>               |                   |                   |                   |                        |
| Local sources                 | \$ 6,138,611      | \$ 5,831,536      | \$ 6,148,086      | \$ 316,550             |
| State sources                 | 55,154,538        | 61,834,678        | 62,727,353        | 892,675                |
| Federal sources               | 1,579,734         | 7,834,243         | 5,066,640         | (2,767,603)            |
| Interdistrict sources         | 2,947,236         | 4,195,179         | 3,797,766         | (397,413)              |
| Total revenues                | <u>65,820,119</u> | <u>79,695,636</u> | <u>77,739,845</u> | <u>(1,955,791)</u>     |
| <b>Expenditures</b>           |                   |                   |                   |                        |
| Instruction                   |                   |                   |                   |                        |
| Basic programs                | 35,155,554        | 39,687,858        | 40,542,482        | 854,624                |
| Added needs                   | 6,696,479         | 7,539,639         | 7,232,633         | (307,006)              |
| Supporting services           |                   |                   |                   |                        |
| Pupil                         | 4,499,474         | 4,840,039         | 5,068,545         | 228,506                |
| Instructional staff           | 3,801,746         | 3,139,946         | 3,623,778         | 483,832                |
| General administration        | 646,758           | 587,254           | 728,807           | 141,553                |
| School administration         | 4,440,994         | 4,477,134         | 4,563,751         | 86,617                 |
| Business                      | 838,698           | 880,388           | 874,153           | (6,235)                |
| Operations and maintenance    | 3,974,736         | 5,250,363         | 5,174,061         | (76,302)               |
| Pupil transportation services | 2,575,079         | 2,974,092         | 2,956,783         | (17,309)               |
| Central                       | 3,471,139         | 4,389,344         | 3,724,643         | (664,701)              |
| Athletics                     | -                 | 1,055,183         | 1,118,387         | 63,204                 |
| Other                         | 51,580            | 614,805           | 55,563            | (559,242)              |
| Community services            | 19,489            | 9,403             | 15,619            | 6,216                  |

**Oxford Community Schools**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts     |                      | Actual               | Over (Under)<br>Budget |
|---|----------------------|----------------------|----------------------|------------------------|
|   | Original             | Final                |                      |                        |
| Facility acquisition                              | \$ 15,000            | \$ 2,753,563         | \$ 727,784           | \$ (2,025,779)         |
| Debt service                                      |                      |                      |                      |                        |
| Principal   | 300,000              | 723,796              | 723,796              | -                      |
| Interest and fiscal charges                       | 54,000               | 31,169               | 31,169               | -                      |
| Total expenditures                                | <u>66,540,726</u>    | <u>78,953,976</u>    | <u>77,161,954</u>    | <u>(1,792,022)</u>     |
| Excess (deficiency) of revenues over expenditures | (720,607)            | 741,660              | 577,891              | (163,769)              |
| <b>Other financing sources (uses)</b>             |                      |                      |                      |                        |
| Proceeds from sale of capital assets              | -                    | -                    | 14,360               | 14,360                 |
| Transfers in                                      | -                    | 2,243,501            | 2,243,501            | -                      |
| Transfers out                                     | <u>(500,000)</u>     | <u>(2,943,501)</u>   | <u>(2,629,682)</u>   | <u>(313,819)</u>       |
| Total other financing sources (uses)              | <u>(500,000)</u>     | <u>(700,000)</u>     | <u>(371,821)</u>     | <u>(299,459)</u>       |
| Net change in fund balance                        | (1,220,607)          | 41,660               | 206,070              | 164,410                |
| Fund balance - beginning                          | <u>11,238,260</u>    | <u>11,238,260</u>    | <u>11,238,260</u>    | <u>-</u>               |
| <b>Fund balance - ending</b>                      | <u>\$ 10,017,653</u> | <u>\$ 11,279,920</u> | <u>\$ 11,444,330</u> | <u>\$ 164,410</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)**

|  | 2021           | 2020           | 2019           | 2018          | 2017          | 2016          | 2015          | 2014 | 2013 | 2012 |
|--|----------------|----------------|----------------|---------------|---------------|---------------|---------------|------|------|------|
| A. Reporting unit's proportion of net pension liability (%)  | 0.3667%        | 0.3489%        | 0.3420%        | 0.3337%       | 0.3187%       | 0.3046%       | 0.2838%       |      |      |      |
| B. Reporting unit's proportionate share of net pension liability   | \$ 125,961,365 | \$ 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   | \$ 33,617,535  | \$ 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%           | 375%           | 345%           | 305%          | 288.86%       | 291.89%       | 258.53%       |      |      |      |
| E. Plan fiduciary net position as a percentage of total pension liability  | 59.72%         | 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 2020.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2020.

**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, |                   |                  |                  |                  |                  |                  |      |      |      |
|--|------------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------|------|------|
|  | 2021                         | 2020              | 2019             | 2018             | 2017             | 2016             | 2015             | 2014 | 2013 | 2012 |
| A. Statutorily required contributions                              | \$ 11,900,787                | \$ 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>11,900,787</u>            | <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)                                | \$ -                         | \$ -              | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             |      |      |      |
| D. Reporting unit's covered-employee payroll                       | \$ 36,414,253                | \$ 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       | 32.68%                       | 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)**

|   | 2021          | 2020          | 2019          | 2018          | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---------------|---------------|---------------|---------------|------|------|------|------|------|------|
| A. Reporting unit's proportion of net OPEB liability (%)  | 0.3791%       | 0.3521%       | 0.3482%       | 0.3340%       |      |      |      |      |      |      |
| B. Reporting unit's proportionate share of net OPEB liability   | \$ 20,309,840 | \$ 25,272,534 | \$ 27,675,660 | \$ 29,575,736 |      |      |      |      |      |      |
| C. Reporting unit's covered-employee payroll  | \$ 33,617,535 | \$ 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 | 60.41%        | 82.08%        | 92.89%        | 104.27%       |      |      |      |      |      |      |
| E. Plan fiduciary net position as a percentage of total OPEB liability  | 59.44%        | 48.46%        | 42.95%        | 36.39%        |      |      |      |      |      |      |

**Note Disclosures**

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2020.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2020.

**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, |                  |                  |                  |      |      |      |      |      |      |
|----|---|------------------------------|------------------|------------------|------------------|------|------|------|------|------|------|
|    |   | 2021                         | 2020             | 2019             | 2018             | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| A. | Statutorily required contributions                              | \$ 3,052,069                 | \$ 2,672,896     | \$ 2,463,693     | \$ 2,600,195     |      |      |      |      |      |      |
| B. | Contributions in relation to statutorily required contributions | <u>3,052,069</u>             | <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>      | <u>\$ -</u>      |      |      |      |      |      |      |
| D. | Reporting unit's covered-employee payroll                       | \$ 36,414,253                | \$ 32,993,535    | \$ 31,337,102    | \$ 29,414,145    |      |      |      |      |      |      |
| E. | Contributions as a percentage of covered-employee payroll       | 8.38%                        | 8.10%            | 7.86%            | 8.84%            |      |      |      |      |      |      |

## OTHER SUPPLEMENTARY INFORMATION



**Oxford Community Schools  
Other Supplementary Information  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2021**

|                                     | Special Revenue Funds |                               |                       | Debt Service Funds    |                       |                      |                      |                   | Capital Project Funds |                                  | Total<br>Nonmajor<br>Governmental<br>Funds |
|-------------------------------------|-----------------------|-------------------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|-------------------|-----------------------|----------------------------------|--|
|                                     | Cafeteria             | Student/<br>School Activities | Community<br>Services | 2015A<br>Debt Service | 2015B<br>Debt Service | 2016<br>Debt Service | 2018<br>Debt Service | SBLF<br>Refunding | 2018<br>Sinking Fund  | 2019<br>Capital<br>Projects Fund |  |
| <b>Assets</b>                       |                       |                               |                       |                       |                       |                      |                      |                   |                       |                                  |  |
| Cash                                | \$ 141,333            | \$ 682,275                    | \$ 358,415            | \$ 13,969             | \$ 72,911             | \$ 25,759            | \$ 24,763            | \$ 7,743          | \$ 1,676,878          | \$ -                             | \$ 3,004,046                               |
| Accounts receivable                 | -                     | 5,005                         | -                     | -                     | -                     | -                    | -                    | -                 | -                     | -                                | 5,005                                      |
| Due from other funds                | 298,881               | 122,032                       | -                     | -                     | -                     | -                    | 192,976              | -                 | 1,109                 | -                                | 614,998                                    |
| Due from other governmental units   | 170,071               | -                             | 81,384                | -                     | -                     | -                    | -                    | 1,705             | -                     | -                                | 253,160                                    |
| Inventory                           | 30,090                | -                             | -                     | -                     | -                     | -                    | -                    | -                 | -                     | -                                | 30,090                                     |
| Total assets                        | \$ 640,375            | \$ 809,312                    | \$ 439,799            | \$ 13,969             | \$ 72,911             | \$ 25,759            | \$ 217,739           | \$ 9,448          | \$ 1,677,987          | \$ -                             | \$ 3,907,299                               |
| <b>Liabilities</b>                  |                       |                               |                       |                       |                       |                      |                      |                   |                       |                                  |  |
| Accounts payable                    | \$ 394                | \$ 5,807                      | \$ 450                | \$ -                  | \$ -                  | \$ -                 | \$ -                 | \$ -              | \$ -                  | \$ -                             | \$ 6,651                                   |
| Due to other funds                  | 730                   | -                             | 265,231               | 13,969                | 72,911                | 25,759               | -                    | 9,448             | -                     | -                                | 388,048                                    |
| Due to other governmental units     | 23,419                | -                             | 35,511                | -                     | -                     | -                    | -                    | -                 | -                     | -                                | 58,930                                     |
| Unearned revenues                   | 58,908                | -                             | 72,438                | -                     | -                     | -                    | -                    | -                 | -                     | -                                | 131,346                                    |
| Total liabilities                   | 83,451                | 5,807                         | 373,630               | 13,969                | 72,911                | 25,759               | -                    | 9,448             | -                     | -                                | 584,975                                    |
| <b>Fund Balances</b>                |                       |                               |                       |                       |                       |                      |                      |                   |                       |                                  |  |
| Non-spendable                       |                       |                               |                       |                       |                       |                      |                      |                   |                       |                                  |  |
| Inventory                           | 30,090                | -                             | -                     | -                     | -                     | -                    | -                    | -                 | -                     | -                                | 30,090                                     |
| Restricted for                      |                       |                               |                       |                       |                       |                      |                      |                   |                       |                                  |  |
| Cafeteria                           | 526,834               | -                             | -                     | -                     | -                     | -                    | -                    | -                 | -                     | -                                | 526,834                                    |
| Debt service                        | -                     | -                             | -                     | -                     | -                     | -                    | 217,739              | -                 | -                     | -                                | 217,739                                    |
| Capital projects                    | -                     | -                             | -                     | -                     | -                     | -                    | -                    | -                 | 1,677,987             | -                                | 1,677,987                                  |
| Committed for                       |                       |                               |                       |                       |                       |                      |                      |                   |                       |                                  |  |
| Student/school activities           | -                     | 803,505                       | -                     | -                     | -                     | -                    | -                    | -                 | -                     | -                                | 803,505                                    |
| Community services                  | -                     | -                             | 66,169                | -                     | -                     | -                    | -                    | -                 | -                     | -                                | 66,169                                     |
| Assigned                            |                       |                               |                       |                       |                       |                      |                      |                   |                       |                                  |  |
| Capital projects                    | -                     | -                             | -                     | -                     | -                     | -                    | -                    | -                 | -                     | -                                | -  |
| Unassigned                          | -                     | -                             | -                     | -                     | -                     | -                    | -                    | -                 | -                     | -                                | -  |
| Total fund balances                 | 556,924               | 803,505                       | 66,169                | -                     | -                     | -                    | 217,739              | -                 | 1,677,987             | -                                | 3,322,324                                  |
| Total liabilities and fund balances | \$ 640,375            | \$ 809,312                    | \$ 439,799            | \$ 13,969             | \$ 72,911             | \$ 25,759            | \$ 217,739           | \$ 9,448          | \$ 1,677,987          | \$ -                             | \$ 3,907,299                               |

**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, 2021**

|  | Special Revenue Funds |                               |                       | Debt Service Funds    |                       |                      |                      | Capital Project Funds |                      | Total<br>Nonmajor<br>Governmental<br>Funds |                                  |
|--|-----------------------|-------------------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|--|----------------------------------|
|  | Cafeteria             | Student/<br>School Activities | Community<br>Services | 2015A<br>Debt Service | 2015B<br>Debt Service | 2016<br>Debt Service | 2018<br>Debt Service | SBLF<br>Refunding     | 2018<br>Sinking Fund |  | 2019<br>Capital<br>Projects Fund |
| <b>Revenues</b>                                      |                       |                               |                       |                       |                       |                      |                      |                       |                      |  |                                  |
| Local sources  | \$ 147,013            | \$ 624,136                    | \$ 874,183            | \$ 830,998            | \$ 4,683,592          | \$ 1,186,896         | \$ 832,259           | \$ 972,988            | \$ 901,550           | \$ 10,128                                  | \$ 11,063,743                    |
| State sources  | 135,685               | -                             | 441,494               | -                     | -                     | -                    | -                    | -                     | -                    | -  | 577,179                          |
| Federal sources                                      | 2,171,982             | -                             | 269,800               | -                     | -                     | -                    | -                    | -                     | -                    | -  | 2,441,782                        |
| Total revenues                                       | <u>2,454,680</u>      | <u>624,136</u>                | <u>1,585,477</u>      | <u>830,998</u>        | <u>4,683,592</u>      | <u>1,186,896</u>     | <u>832,259</u>       | <u>972,988</u>        | <u>901,550</u>       | <u>10,128</u>                              | <u>14,082,704</u>                |
| <b>Expenditures</b>                                  |                       |                               |                       |                       |                       |                      |                      |                       |                      |  |                                  |
| Current  |                       |                               |                       |                       |                       |                      |                      |                       |                      |  |                                  |
| Education  |                       |                               |                       |                       |                       |                      |                      |                       |                      |  |                                  |
| Student and school activities                        | -                     | 584,265                       | -                     | -                     | -                     | -                    | -                    | -                     | -                    | -  | 584,265                          |
| Food services  | 2,124,951             | -                             | -                     | -                     | -                     | -                    | -                    | -                     | -                    | -  | 2,124,951                        |
| Community services                                   | -                     | -                             | 1,411,554             | -                     | -                     | -                    | -                    | -                     | -                    | -  | 1,411,554                        |
| Capital outlay                                       | -                     | -                             | -                     | -                     | -                     | -                    | -                    | -                     | -                    | 4,795,858                                  | 4,795,858                        |
| Debt service   |                       |                               |                       |                       |                       |                      |                      |                       |                      |  |                                  |
| Principal  | -                     | -                             | -                     | 2,220,000             | 9,600,000             | -                    | -                    | -                     | -                    | -  | 11,820,000                       |
| Interest and other expenditures                      | -                     | -                             | -                     | 548,251               | 301,317               | 1,709,025            | 930,336              | 1,099,395             | -                    | -  | 4,588,324                        |
| Total expenditures                                   | <u>2,124,951</u>      | <u>584,265</u>                | <u>1,411,554</u>      | <u>2,768,251</u>      | <u>9,901,317</u>      | <u>1,709,025</u>     | <u>930,336</u>       | <u>1,099,395</u>      | <u>-</u>             | <u>4,795,858</u>                           | <u>25,324,952</u>                |
| Excess (deficiency) of<br>revenues over expenditures | <u>329,729</u>        | <u>39,871</u>                 | <u>173,923</u>        | <u>(1,937,253)</u>    | <u>(5,217,725)</u>    | <u>(522,129)</u>     | <u>(98,077)</u>      | <u>(126,407)</u>      | <u>901,550</u>       | <u>(4,785,730)</u>                         | <u>(11,242,248)</u>              |
| <b>Other financing sources (uses)</b>                |                       |                               |                       |                       |                       |                      |                      |                       |                      |  |                                  |
| Proceeds from school bond loan fund                  | -                     | -                             | -                     | 1,888,008             | 5,129,780             | 161,591              | 174,306              | 121,536               | -                    | -  | 7,475,221                        |
| Transfers out  | (113,819)             | -                             | -                     | -                     | -                     | -                    | -                    | -                     | -                    | -  | (113,819)                        |
| Total other financing sources (uses)                 | <u>(113,819)</u>      | <u>-</u>                      | <u>-</u>              | <u>1,888,008</u>      | <u>5,129,780</u>      | <u>161,591</u>       | <u>174,306</u>       | <u>121,536</u>        | <u>-</u>             | <u>-</u>                                   | <u>7,361,402</u>                 |
| Net change in fund balances                          | 215,910               | 39,871                        | 173,923               | (49,245)              | (87,945)              | (360,538)            | 76,229               | (4,871)               | 901,550              | (4,785,730)                                | (3,880,846)                      |
| Fund balances (deficits) - beginning, as restated    | 341,014               | 763,634                       | (107,754)             | 49,245                | 87,945                | 360,538              | 141,510              | 4,871                 | 776,437              | 4,785,730                                  | 7,203,170                        |
| <b>Fund balances - ending</b>                        | <u>\$ 556,924</u>     | <u>\$ 803,505</u>             | <u>\$ 66,169</u>      | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>          | <u>\$ 217,739</u>    | <u>\$ -</u>           | <u>\$ 1,677,987</u>  | <u>\$ -</u>                                | <u>\$ 3,322,324</u>              |

**Oxford Community Schools**  
**Other Supplementary Information**  
**Nonmajor Governmental Funds**  
**General Fund Combining Balance Sheet**  
**June 30, 2021**

|  | General Education    | Special Education   | Education Solutions | Athletics         | Health Care<br>Reserve | General Fund         |
|--|----------------------|---------------------|---------------------|-------------------|------------------------|----------------------|
| <b>Assets</b>  |                      |                     |                     |                   |                        |                      |
| Cash   | \$ 7,454,903         | \$ 206              | \$ -                | \$ -              | \$ -                   | \$ 7,455,109         |
| Accounts receivable                                    | 181,635              | 38                  | -                   | -                 | -                      | 181,673              |
| Due from other funds                                   | 430                  | 289,462             | 346,804             | 129,242           | 2,000,000              | 2,765,938            |
| Due from other governmental units                      | 11,369,752           | 1,145,471           | 2,680,005           | -                 | -                      | 15,195,228           |
| Prepaid items  | 1,113,422            | 97                  | -                   | 39,458            | -                      | 1,152,977            |
| Total assets   | <u>\$ 20,120,142</u> | <u>\$ 1,435,274</u> | <u>\$ 3,026,809</u> | <u>\$ 168,700</u> | <u>\$ 2,000,000</u>    | <u>\$ 26,750,925</u> |
| <b>Liabilities</b>                                     |                      |                     |                     |                   |                        |                      |
| Accounts payable                                       | \$ 934,941           | \$ 29,163           | \$ -                | \$ -              | \$ -                   | \$ 964,104           |
| Due to other funds                                     | 1,195,342            | -                   | -                   | -                 | -                      | 1,195,342            |
| Due to other governmental units                        | 638,429              | 188,758             | 2,599,088           | 10,885            | -                      | 3,437,160            |
| Payroll and related withholdings                       | 2,371,920            | 376,880             | -                   | 8,290             | -                      | 2,757,090            |
| Accrued salaries payable                               | 3,942,265            | 664,283             | -                   | 13,187            | -                      | 4,619,735            |
| Unearned revenues                                      | 2,256,104            | -                   | -                   | -                 | -                      | 2,256,104            |
| Total liabilities                                      | <u>11,339,001</u>    | <u>1,259,084</u>    | <u>2,599,088</u>    | <u>32,362</u>     | <u>-</u>               | <u>15,229,535</u>    |
| <b>Deferred Inflows of Resources</b>                   |                      |                     |                     |                   |                        |                      |
| Unavailable revenue                                    |                      |                     |                     |                   |                        |                      |
| Grants   | 77,060               | -                   | -                   | -                 | -                      | 77,060               |
| <b>Fund Balances</b>                                   |                      |                     |                     |                   |                        |                      |
| Non-spendable  |                      |                     |                     |                   |                        |                      |
| Prepaid items  | 1,113,422            | 97                  | -                   | 39,458            | -                      | 1,152,977            |
| Assigned   |                      |                     |                     |                   |                        |                      |
| Long-term obligations                                  | 7,590,659            | -                   | -                   | -                 | -                      | 7,590,659            |
| Funded education                                       | -                    | 176,093             | -                   | -                 | -                      | 176,093              |
| Education solutions                                    | -                    | -                   | 427,721             | -                 | -                      | 427,721              |
| Athletics  | -                    | -                   | -                   | 96,880            | -                      | 96,880               |
| Future health care costs                               | -                    | -                   | -                   | -                 | 2,000,000              | 2,000,000            |
| Total fund balances                                    | <u>8,704,081</u>     | <u>176,190</u>      | <u>427,721</u>      | <u>136,338</u>    | <u>2,000,000</u>       | <u>11,444,330</u>    |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 20,120,142</u> | <u>\$ 1,435,274</u> | <u>\$ 3,026,809</u> | <u>\$ 168,700</u> | <u>\$ 2,000,000</u>    | <u>\$ 26,750,925</u> |

**Oxford Community Schools**  
**Other Supplementary Information**  
**General Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2021**

|   | General Education   | Special Education | Education Solutions | Athletics         | Health Care Reserve | General Fund         |
|---|---------------------|-------------------|---------------------|-------------------|---------------------|----------------------|
| <b>Revenues</b>                                   |                     |                   |                     |                   |                     |                      |
| Local sources                                     | \$ 5,663,007        | \$ -              | \$ 443,088          | \$ 41,991         | \$ -                | \$ 6,148,086         |
| State sources                                     | 58,962,048          | 3,765,305         | -                   | -                 | -                   | 62,727,353           |
| Federal sources                                   | 3,802,696           | 1,263,944         | -                   | -                 | -                   | 5,066,640            |
| Interdistrict sources                             | 502,896             | 3,294,870         | -                   | -                 | -                   | 3,797,766            |
| Total revenues                                    | <u>68,930,647</u>   | <u>8,324,119</u>  | <u>443,088</u>      | <u>41,991</u>     | <u>-</u>            | <u>77,739,845</u>    |
| <b>Expenditures</b>                               |                     |                   |                     |                   |                     |                      |
| Current   |                     |                   |                     |                   |                     |                      |
| Education   |                     |                   |                     |                   |                     |                      |
| Instruction                                       | 42,093,753          | 5,681,362         | -                   | -                 | -                   | 47,775,115           |
| Supporting services                               | 22,989,207          | 3,655,723         | 104,080             | 1,139,461         | -                   | 27,888,471           |
| Community services                                | 15,619              | -                 | -                   | -                 | -                   | 15,619               |
| Capital outlay                                    | 726,580             | 1,204             | -                   | -                 | -                   | 727,784              |
| Debt service                                      |                     |                   |                     |                   |                     |                      |
| Principal   | 723,796             | -                 | -                   | -                 | -                   | 723,796              |
| Interest and other expenditures                   | 31,169              | -                 | -                   | -                 | -                   | 31,169               |
| Total expenditures                                | <u>66,580,124</u>   | <u>9,338,289</u>  | <u>104,080</u>      | <u>1,139,461</u>  | <u>-</u>            | <u>77,161,954</u>    |
| Excess (deficiency) of revenues over expenditures | 2,350,523           | (1,014,170)       | 339,008             | (1,097,470)       | -                   | 577,891              |
| <b>Other financing sources (uses)</b>             |                     |                   |                     |                   |                     |                      |
| Proceeds from sale of capital assets              | 14,360              | -                 | -                   | -                 | -                   | 14,360               |
| Transfers in (out)                                | (2,474,011)         | 990,360           | -                   | 1,097,470         | -                   | (386,181)            |
| Total other financing sources (uses)              | <u>(2,459,651)</u>  | <u>990,360</u>    | <u>-</u>            | <u>1,097,470</u>  | <u>-</u>            | <u>(371,821)</u>     |
| Net change in fund balancess                      | (109,128)           | (23,810)          | 339,008             | -                 | -                   | 206,070              |
| Fund balances - beginning                         | <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>    |
| <b>Fund balances - ending</b>                     | <u>\$ 8,704,081</u> | <u>\$ 176,190</u> | <u>\$ 427,721</u>   | <u>\$ 136,338</u> | <u>\$ 2,000,000</u> | <u>\$ 11,444,330</u> |

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2021**

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2010 School Building and Site Bonds, Series B, QSCB

| Year Ending<br>June 30, | Interest Rate<br>(Percent) | Interest Due<br>November 1 | Interest Due<br>May 1 | Principal Due<br>May 1 | Total                |
|-------------------------|----------------------------|----------------------------|-----------------------|------------------------|----------------------|
| 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                      | 496,875                    | 496,875               | 15,000,000             | 15,993,750           |
| Total                   |                            | <u>\$ 2,981,250</u>        | <u>\$ 2,981,250</u>   | <u>\$ 15,000,000</u>   | <u>\$ 20,962,500</u> |

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2021**

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2015 Refunding Bonds Series A - 2004 & 2005

| Year Ending<br>June 30, | Interest Rate<br>(Percent) | Interest Due<br>November 1 | Interest Due<br>May 1 | Principal Due<br>May 1 | Total               |
|-------------------------|----------------------------|----------------------------|-----------------------|------------------------|---------------------|
| 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                      | 54,000                     | 54,000                | 2,160,000              | 2,268,000           |
| Total                   |                            | <u>\$ 544,125</u>          | <u>\$ 544,125</u>     | <u>\$ 8,735,000</u>    | <u>\$ 9,823,250</u> |

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2021**

2016 Refunding Bonds - 2006 & 2010A

| Year Ending<br>June 30, | Interest Rate<br>(Percent) | Interest Due<br>November 1 | Interest Due<br>May 1 | Principal Due<br>May 1 | Total                |
|-------------------------|----------------------------|----------------------------|-----------------------|------------------------|----------------------|
| 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>\$ 3,885,844</u>        | <u>\$ 3,579,727</u>   | <u>\$ 42,075,000</u>   | <u>\$ 49,540,571</u> |

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2021**

2018 Capital Projects Bonds

| Year Ending<br>June 30, | Interest Rate<br>(Percent) | Interest Due<br>November 1 | Interest Due<br>May 1 | Principal Due<br>May 1 | Total      |
|-------------------------|----------------------------|----------------------------|-----------------------|------------------------|------------|
| 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    |

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2021**

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2018 Capital Projects Bonds

| Year Ending<br>June 30, | Interest Rate<br>(Percent) | Interest Due<br>November 1 | Interest Due<br>May 1 | Principal Due<br>May 1 | Total         |
|-------------------------|----------------------------|----------------------------|-----------------------|------------------------|---------------|
| Total                   |                            | \$ 3,120,079               | \$ 3,042,283          | \$ 9,195,000           | \$ 15,357,362 |

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2021**

2019 Refunding Bonds

| Year Ending<br>June 30, | Interest Rate<br>(Percent) | Interest Due<br>November 1 | Interest Due<br>May 1 | Principal Due<br>May 1 | Total                |
|-------------------------|----------------------------|----------------------------|-----------------------|------------------------|----------------------|
| 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>\$ 4,698,280</u>        | <u>\$ 4,274,578</u>   | <u>\$ 38,550,000</u>   | <u>\$ 47,522,858</u> |

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2021**

2019 School Building and Site Bonds Series II

| Year Ending<br>June 30, | Interest Rate<br>(Percent) | Interest Due<br>November 1 | Interest Due<br>May 1 | Principal Due<br>May 1 | Total                |
|-------------------------|----------------------------|----------------------------|-----------------------|------------------------|----------------------|
| 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              |
| <b>Total</b>            |                            | <b>\$ 1,724,215</b>        | <b>\$ 1,596,251</b>   | <b>\$ 9,195,000</b>    | <b>\$ 12,515,466</b> |

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2021**

2020 Refunding Bonds

| Year Ending<br>June 30, | Interest Rate<br>(Percent) | Interest Due<br>November 1 | Interest Due<br>May 1 | Principal Due<br>May 1 | Total               |
|-------------------------|----------------------------|----------------------------|-----------------------|------------------------|---------------------|
| 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           |
| <b>Total</b>            |                            | <b>\$ 598,000</b>          | <b>\$ 529,900</b>     | <b>\$ 7,410,000</b>    | <b>\$ 8,537,900</b> |

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2021**

2020 School Building and Site Bonds Series III

| Year Ending<br>June 30, | Interest Rate<br>(Percent) | Interest Due<br>November 1 | Interest Due<br>May 1 | Principal Due<br>May 1 | Total                |
|-------------------------|----------------------------|----------------------------|-----------------------|------------------------|----------------------|
| 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>\$ 1,578,510</u>        | <u>\$ 1,504,847</u>   | <u>\$ 9,470,000</u>    | <u>\$ 12,553,357</u> |

## CONTINUING DISCLOSURES (UNAUDITED)

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**Oxford Community Schools  
Other Supplemental Information  
Continuing Disclosure Report (Unaudited)**

**Enrollment**

| <u>Ten-year Blended Count History</u> | <u>Blended Count</u> | <u>School Year</u> | <u>Blended Count</u> |                                      |                   |
|---------------------------------------|----------------------|--------------------|----------------------|--------------------------------------|-------------------|
| 2021-2022 Initial Budget              | 6,868                | 2015-2016          | 5,655                |                                      |                   |
| 2020-2021                             | 6,868                | 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                |                                      |                   |
| <u>2020-21</u>                        | <u>Enrollment</u>    | <u>Grade</u>       | <u>Enrollment</u>    | <u>Grade</u>                         | <u>Enrollment</u> |
| Early On/ECSE                         | 15                   | 7th                | 256                  | Oxford Virtual Academy               | 2,459             |
| Kindergarten                          | 261                  | 8th                | 305                  | Early College                        | 293               |
| 1st                                   | 221                  | 9th                | 320                  | Oxford Crossroads                    | 25                |
| 2nd                                   | 236                  | 10th               | 302                  | Bishop Kelley Catholic Shared Time   | 17                |
| 3rd                                   | 243                  | 11th               | 305                  | Faith Baptist Shared Time            | 13                |
| 4th                                   | 239                  | 12th               | 262                  | Genesee Christian Shared Time        | 27                |
| 5th                                   | 237                  | Post High School   | 16                   | Holy Family Catholic Shared Time     | 28                |
| 6th                                   | 257                  | Oxford Bridges     | 46                   | Holy Rosary Catholic Shared Time     | 14                |
|                                       |                      | EMC>1.0 FTE        | 40                   | Huron Valley Lutheran Shared Time    | 16                |
|                                       |                      | Sec 25e Adjust     | 0                    | Inter City Baptist Shared Time       | 28                |
|                                       |                      | Sec 23a            | 13                   | Lake Orion Baptist Shared Time       | 1                 |
|                                       |                      |                    |                      | Lutheran Northwest Shared Time       | 4                 |
|                                       |                      |                    |                      | Lutheran Westland Shared Time        | 3                 |
|                                       |                      |                    |                      | Novi Christian Shared Time           | 3                 |
|                                       |                      |                    |                      | Oakland Christian Shared Time        | 10                |
|                                       |                      |                    |                      | Plymouth Christian Shared Time       | 41                |
|                                       |                      |                    |                      | Powers Catholic HS Shared Time       | 31                |
|                                       |                      |                    |                      | St Fabian Catholic Shared Time       | 28                |
|                                       |                      |                    |                      | St Isaac Jogues Catholic Shared Time | 18                |
|                                       |                      |                    |                      | St. John Evangelist Shared Time      | 56                |
|                                       |                      |                    |                      | St. John Vianney Shared Time         | 35                |
|                                       |                      |                    |                      | St. Joseph Shared Time               | 84                |
|                                       |                      |                    |                      | St. Mary Catholic Shared Time        | 9                 |
|                                       |                      |                    |                      | St. Matthew Lutheran Shared Time     | 18                |
|                                       |                      |                    |                      | St. Pius X Shared Time               | 2                 |
|                                       |                      |                    |                      | St. Robert Bellarmine Shared Time    | 7                 |
|                                       |                      |                    |                      | St. Thomas More Shared Time          | 10                |
|                                       |                      |                    |                      | Trinity Lutheran-Utica Shared Time   | 3                 |
|                                       |                      |                    |                      | Washtenaw Christain Shared Time      | 11                |

**Oxford Community Schools**  
**Other Supplemental Information**  
**Continuing Disclosure Report (Unaudited)**  
**For the Year Ended June 30, 2021**

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**Labor Relations**

| <b>Class</b>  | <b>Number</b> | <b>Affiliation</b>                | <b>Contract Expires</b> |
|---|---------------|-----------------------------------|-------------------------|
| Teachers and Instructional Staff                      | 311           | Oxford Education Association      | 8/31/2022               |
| OVA Teachers and St Joseph Teachers                   | 134           | Not affiliated                    | N/A                     |
| Transportation, Food Service, Maintenance             | 82            | AFSCME                            | 8/31/2022               |
| Administrators  | 18            | Oxford Administrators Association | 7/31/2022               |
| Secretaries & Paraprofessionals                       | 85            | OESPA                             | 6/30/2022               |
| Child Care  | 40            | Not affiliated                    | N/A                     |
| Tutorial Assistants                                   | 1             | Not affiliated                    | N/A                     |
| Crossing Guards                                       | -             | Not affiliated                    | N/A                     |
| Central Office Administrative Support                 | 16            | Not affiliated                    | N/A                     |
| Central Office Administrators                         | 8             | Not affiliated                    | N/A                     |
| Sub Employees (childcare, food service, trans, teach) | 18            | Not affiliated                    | N/A                     |
| Other Employees                                       | 50            | Not affiliated                    | N/A                     |
| TOTAL   | <u>763</u>    |                                   |                         |

**Oxford Community Schools  
Other Supplemental Information  
Continuing Disclosure Report (Unaudited)  
For the Year Ended June 30, 2021**

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**Retirement Plan**

| <b>Contributions Period</b>           | <b>Contribution Rate</b> | <b>Fiscal Year Ended June 30</b> | <b>Contributions to MPERS</b> |
|---------------------------------------|--------------------------|----------------------------------|-------------------------------|
| October 1, 2021 - September 30, 2022  | 28.23%                   | 2022                             | \$ 15,940,655                 |
| October 1, 2020 - September 30, 2021  | 28.21%                   | 2021                             | 15,441,217                    |
| 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                     |

Management's estimate

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, 2021**

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**State Aid Payments**

| <b>School Year</b> | <b>Blended Pupil<br/>Count</b> | <b>Total State Aid<br/>School Year</b> |
|--------------------|--------------------------------|--|
| 2021-2022          | 6,868                          | \$ 62,603,451                          |
| 2020-2021          | 6,868                          | 62,316,119                             |
| 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                             |

Initial budget

**History of Valuation - State Equalized Valuation and Taxable Valuation**

| <b>Year</b> | <b>State Equalized<br/>Valuation</b> | <b>Taxable<br/>Valuation</b> |
|-------------|--------------------------------------|------------------------------|
| 2021        | \$1,636,215,139                      | \$ 1,271,473,468             |
| 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                  |

**Oxford Community Schools  
Other Supplemental Information  
Continuing Disclosure Report (Unaudited)  
For the Year Ended June 30, 2021**

**Tax Levies and Collections**

| School Year | Operating<br>Tax Levy | Current Collections to March 1 |         | Current Collections to June 30 |         |
|-------------|-----------------------|--------------------------------|---------|--------------------------------|---------|
|             |                       | Amount                         | Percent | Amount                         | Percent |
| 2021-2022   | \$ 5,453,558          | In process of collection       |         | Not available                  |         |
| 2020-2021   | 5,279,409             | 4,972,841                      | 94.19%  | 5,231,244                      | 99.09%  |
| 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%  |

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

|                     | 2021           | 2020           | 2019           | 2018           | 2017           | 2016           |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Operating           | 17.5501        | 17.6597        | 17.7253        | 17.7253        | 17.9153        | 17.8078        |
| Debt                | 0.7268         | 0.7344         | 0.7404         | 0.7440         | N/A            | N/A            |
| Total homestead     | <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 non-homestead | <u>8.6268</u>  | <u>8.6344</u>  | <u>8.6404</u>  | <u>8.6440</u>  | <u>7.9000</u>  | <u>7.9000</u>  |
| Sinking Fund        | <u>26.1769</u> | <u>26.2941</u> | <u>26.3657</u> | <u>26.3693</u> | <u>25.8153</u> | <u>25.7078</u> |

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, 2021**

**School Bond Loan Fund**

As of June 30, 2021, the School District had an outstanding balance, including interest, of \$7,515,646.17\* 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  |
| 8,735,000             | 2015A 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>\$ 139,630,000</u> |   |             |

The taxpayers below represent 9.58% of the School District's 2021 total taxable valuation of \$1,271,473,468.

\* 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                    | \$ 47,156,160         |
| DTE Electric Company                      | Utility                    | 22,456,651            |
| Consumers Energy                          | Utility                    | 14,765,681            |
| Lake Villa MHC Holding LLC                | Mobile Home Community      | 8,305,740             |
| BKG Oxford LLC                            | Real Estate                | 7,019,490             |
| Meijer Inc                                | Retail                     | 6,026,820             |
| 701 Market Street LLC                     | Iron and Steel Forgings    | 5,839,760             |
| American Aggregates of Mich               | Sand and Gravel            | 4,652,310             |
| Village Manor of Oxford LLC               | Apartment Rental           | 2,801,430             |
| Mills, Christian                          | Entertainment Event Center | 2,776,200             |
| <b>TOTAL</b>                              |                            | <u>\$ 121,800,242</u> |

Sources: Township Treasurers, County Equalization

**Oxford Community Schools  
Other Supplemental Information  
Continuing Disclosure Report (Unaudited)**

**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 2021-2022; 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 Community Schools.

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 2021-2022 which includes 17.5501 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 \$76,677,502 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                                 | \$ 6,055,332         |
| State                                 | 62,753,355           |
| Federal                               | 4,055,223            |
| Other                                 | 3,935,692            |
| <b>TOTAL REVENUES</b>                 | <b>\$ 76,799,602</b> |
| <br>                                  |                      |
| Estimated Fund Balance July 1, 2021   | 11,279,919           |
| Less non-spendable                    | (1,152,977)          |
| Less assigned                         | (10,249,042)         |
| <br>                                  |                      |
| <b>TOTAL AVAILABLE TO APPROPRIATE</b> | <b>\$ 76,677,502</b> |

| EXPENDITURES                 |                      |
|------------------------------|----------------------|
| Instruction                  |                      |
| Basic Programs               | \$ 40,270,643        |
| Added Needs                  | 7,534,412            |
| Support Services             |                      |
| Pupil                        | 5,266,172            |
| Instructional Staff          | 3,479,520            |
| General Administration       | 735,191              |
| School Administration        | 4,576,715            |
| Business Office              | 921,157              |
| Maintenance                  | 4,896,071            |
| Transportation               | 2,801,888            |
| Central                      | 4,439,428            |
| Athletics                    | 1,167,023            |
| Other - OIP                  | 1,707                |
| Community Services           | 9,288                |
| Outgoing Transfers and Other | 578,287              |
| <b>TOTAL APPROPRIATED</b>    | <b>\$ 76,677,502</b> |

**Oxford Community Schools**

**Single Audit**

**June 30, 2021**



## Table of Contents

|  | <b>Page</b> |
|--|-------------|
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters<br>Based on an Audit of Financial Statements Performed in Accordance with <i>Government<br/>Auditing Standards</i> | 1           |
| Report on Compliance for Each Major Federal Program; Report on Internal Control Over<br>Compliance; and Report on Schedule of Expenditures of Federal Awards Required by<br>the Uniform Guidance           | 3           |
| Schedule of Expenditures of Federal Awards   | 6           |
| Notes to the Schedule of Expenditures of Federal Awards  | 8           |
| Schedule of Findings and Questioned Costs  | 9           |
| Summary Schedule of Prior Audit Findings   | 11          |



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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 (the School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as of June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated October 8, 2021.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School District's 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

Yeo & Yeo, P.C.

Auburn Hills, Michigan  
October 8, 2021



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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' (the School District's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021. The School District's 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 the School District's 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 the School District's 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 the School District's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the School District 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, 2021.

### **Report on Internal Control over Compliance**

Management of the School District 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 the School District's 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 the School District's 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 the School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basis financial statements. We issued our report thereon dated October 8, 2021, 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 8, 2021

**Oxford Community Schools**  
**Schedule of Expenditures of Federal Awards**  
**June 30, 2021**

| Federal Grantor<br>Pass-Through Grantor<br>Program or Cluster Title | Assistance<br>Listing<br>Number | Grant/<br>Project<br>Number | Approved<br>Grant<br>Amount | Accrued<br>(Unearned)<br>Revenue<br>July 1,<br>2020 | (Memo Only)<br>Prior Year<br>Expenditures | Current Year<br>Expenditures | Current<br>Year<br>Receipts | Accrued<br>(Unearned)<br>Revenue<br>June 30,<br>2021 | Current Year<br>Cash Transferred<br>to Subrecipient |
|---|---------------------------------|-----------------------------|-----------------------------|---|---|------------------------------|-----------------------------|--|---|
| <b>U.S. Department of Agriculture</b>                               |                                 |                             |                             |   |   |                              |                             |  |   |
| Passed through Michigan Department of Education                     |                                 |                             |                             |   |   |                              |                             |  |   |
| Child Nutrition Cluster   |                                 |                             |                             |   |   |                              |                             |  |   |
| COVID-19 Summer Food Service Program for Children Operating         | 10.555                          | 200902                      | \$ 458,309                  | \$ 67,018   | \$ 458,309                                | \$ -                         | \$ 67,018                   | \$ -   | \$ -  |
| COVID-19 Child and Adult Care Food Program                          | 10.555                          | FY2021                      | 4,938                       | -   | -   | 4,938                        | -                           | 4,938  | -   |
| Non-Cash Assistance (Commodities)                                   | 10.555                          | FY2021                      | 88,692                      | -   | -   | 88,692                       | 88,692                      | -  | -   |
| Non-Cash Assistance (Bonus Commodities)                             | 10.555                          | FY2021                      | 81                          | -   | -   | 81                           | 81                          | -  | -   |
| Total National School Lunch Program                                 |                                 |                             | <u>552,020</u>              | <u>67,018</u>                                       | <u>458,309</u>                            | <u>93,711</u>                | <u>155,791</u>              | <u>4,938</u>   | <u>-</u>  |
| COVID-19 Summer Food Service Program for Children Operating         | 10.559                          | 200900                      | 319,420                     | -   | -   | 319,420                      | 319,420                     | -  | -   |
| COVID-19 Summer Food Service Program for Children Operating         | 10.559                          | 200901                      | 42,644                      | 42,644  | -   | (1,349)                      | 41,295                      | -  | -   |
| COVID-19 Extended Summer Food Service Program for Children          | 10.559                          | 210904                      | 1,760,200                   | -   | -   | 1,760,200                    | 1,622,169                   | 138,031  | -   |
| Total Summer Food Service Program for Children                      |                                 |                             | <u>2,122,264</u>            | <u>42,644</u>                                       | <u>-</u>                                  | <u>2,078,271</u>             | <u>1,982,884</u>            | <u>138,031</u>                                       | <u>-</u>  |
| Total Child Nutrition Cluster                                       |                                 |                             | <u>2,674,284</u>            | <u>109,662</u>                                      | <u>458,309</u>                            | <u>2,171,982</u>             | <u>2,138,675</u>            | <u>142,969</u>                                       | <u>-</u>  |
| <b>U.S. Department of Treasury</b>                                  |                                 |                             |                             |   |   |                              |                             |  |   |
| Coronavirus Relief Funds  |                                 |                             |                             |   |   |                              |                             |  |   |
| Passed through Michigan Department of Treasury                      |                                 |                             |                             |   |   |                              |                             |  |   |
| COVID-19 11p Coronavirus Relief Funds                               | 21.019                          | 2021                        | 2,396,233                   | -   | -   | 2,396,233                    | 2,396,233                   | -  | -   |
| COVID-19 103(2) District Covid Costs                                | 21.019                          | 2021                        | 84,347                      | -   | -   | 84,347                       | 84,347                      | -  | -   |
|   |                                 |                             | <u>2,480,580</u>            | <u>-</u>  | <u>-</u>                                  | <u>2,480,580</u>             | <u>2,480,580</u>            | <u>-</u>   | <u>-</u>  |
| Passed through Oakland County                                       |                                 |                             |                             |   |   |                              |                             |  |   |
| COVID-19 Coronavirus Relief Funds                                   | 21.019                          | 2021                        | 755,532                     | -   | -   | 755,532                      | 755,532                     | -  | -   |
| Passed through Macomb Area Intermediate School District             |                                 |                             |                             |   |   |                              |                             |  |   |
| COVID-19 Device Purchasing Program/Distance Learning CRF Grant      | 21.019                          | 2021                        | 73,430                      | -   | -   | 73,430                       | 73,430                      | -  | -   |
| Total Coronavirus Relief Funds                                      |                                 |                             | <u>3,309,542</u>            | <u>-</u>  | <u>-</u>                                  | <u>3,309,542</u>             | <u>3,309,542</u>            | <u>-</u>   | <u>-</u>  |
| <b>U.S. Department of Education</b>                                 |                                 |                             |                             |   |   |                              |                             |  |   |
| Passed through Michigan Department of Education                     |                                 |                             |                             |   |   |                              |                             |  |   |
| Title IA Grants to Local Educational Agencies                       | 84.010                          | 201530                      | 243,699                     | -   | -   | 18,536                       | 18,536                      | -  | -   |
| Title IA Grants to Local Educational Agencies                       | 84.010                          | 211530                      | 273,827                     | -   | -   | 191,303                      | 144,034                     | 47,269   | -   |
| Total Title IA Grants to Local Educational Agencies                 |                                 |                             | <u>517,526</u>              | <u>-</u>  | <u>-</u>                                  | <u>209,839</u>               | <u>162,570</u>              | <u>47,269</u>  | <u>-</u>  |
| Title IIIA - English Language Acquisition State Grants              | 84.365                          | 210570                      | 2,271                       | -   | -   | 2,271                        | 2,271                       | -  | -   |
| Title IIA Supporting Effective Instruction State Grant              | 84.367                          | 200520                      | 138,980                     | -   | -   | 6,740                        | 6,740                       | -  | -   |
| Title IIA Supporting Effective Instruction State Grant              | 84.367                          | 210520                      | 138,707                     | -   | -   | 126,956                      | 100,712                     | 26,244   | -   |
| Total Title IIA Supporting Effective Instruction State Grant        |                                 |                             | <u>277,687</u>              | <u>-</u>  | <u>-</u>                                  | <u>133,696</u>               | <u>107,452</u>              | <u>26,244</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, 2021**

| Federal Grantor<br>Pass-Through Grantor<br>Program or Cluster Title       | Assistance<br>Listing<br>Number | Grant/<br>Project<br>Number | Approved<br>Grant<br>Amount | Accrued<br>(Unearned)<br>Revenue<br>July 1,<br>2020 | (Memo Only)<br>Prior Year<br>Expenditures | Current Year<br>Expenditures | Current<br>Year<br>Receipts | Accrued<br>(Unearned)<br>Revenue<br>June 30,<br>2021 | Current Year<br>Cash Transferred<br>to Subrecipient |
|---|---------------------------------|-----------------------------|-----------------------------|---|---|------------------------------|-----------------------------|--|---|
| Title IVA Student Support and Academic Enrichment Program                 | 84.424                          | 200750                      | \$ 15,441                   | \$ -  | \$ -                                      | \$ 2,148                     | \$ 2,148                    | \$ -   | \$ -  |
| Title IVA Student Support and Academic Enrichment Program                 | 84.424                          | 210750                      | 16,031                      | -   | -   | 13,764                       | 10,217                      | 3,547  | -   |
| Total Title IVA Student Support and Academic Enrichment Program           |                                 |                             | <u>31,472</u>               | <u>-</u>  | <u>-</u>                                  | <u>15,912</u>                | <u>12,365</u>               | <u>3,547</u>   | <u>-</u>  |
| Education Stabilization Funds   |                                 |                             |                             |   |   |                              |                             |  |   |
| COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Formula | 84.425D                         | 203710                      | 184,544                     | -   | -   | 184,544                      | 164,419                     | 20,125   | -   |
| Passed through Oakland County Intermediate School District                |                                 |                             |                             |   |   |                              |                             |  |   |
| Special Education Cluster   |                                 |                             |                             |   |   |                              |                             |  |   |
| Special Education - Grants to States                                      | 84.027                          | 190450                      | 1,116,516                   | 32,493  | 73,760                                    | -                            | 32,493                      | -  | -   |
| Special Education - Grants to States                                      | 84.027                          | 200450                      | 1,086,606                   | 148,441   | 957,087                                   | 120,723                      | 191,322                     | 77,842   | -   |
| Special Education - Grants to States                                      | 84.027                          | 210450                      | 1,121,752                   | -   | -   | 1,117,792                    | 682,910                     | 434,882  | -   |
| Total Special Education - Grants to States                                |                                 |                             | <u>3,324,874</u>            | <u>180,934</u>                                      | <u>1,030,847</u>                          | <u>1,238,515</u>             | <u>906,725</u>              | <u>512,724</u>                                       | <u>-</u>  |
| Special Education - Preschool Grants                                      | 84.173                          | 200460                      | 24,860                      | 3,086   | 21,774                                    | -                            | 3,086                       | -  | -   |
| Special Education - Preschool Grants                                      | 84.173                          | 210460                      | 25,429                      | -   | -   | 25,429                       | 17,274                      | 8,155  | -   |
| Total Special Education - Preschool Grants                                |                                 |                             | <u>50,289</u>               | <u>3,086</u>  | <u>21,774</u>                             | <u>25,429</u>                | <u>20,360</u>               | <u>8,155</u>   | <u>-</u>  |
| Total Special Education Cluster   |                                 |                             | <u>3,375,163</u>            | <u>184,020</u>                                      | <u>1,052,621</u>                          | <u>1,263,944</u>             | <u>927,085</u>              | <u>520,879</u>                                       | <u>-</u>  |
| Passed through Holly Schools  |                                 |                             |                             |   |   |                              |                             |  |   |
| Title IIIA - English Acquisition State Grants                             | 84.365                          | 2021                        | 15,583                      | -   | -   | 11,689                       | 11,689                      | -  | -   |
| Total U.S. Department of Education  |                                 |                             | <u>4,404,246</u>            | <u>184,020</u>                                      | <u>1,052,621</u>                          | <u>1,821,895</u>             | <u>1,387,851</u>            | <u>618,064</u>                                       | <u>-</u>  |
| <b>U.S. Department of Health and Human Services</b>                       |                                 |                             |                             |   |   |                              |                             |  |   |
| Passed through Oakland County Intermediate School District                |                                 |                             |                             |   |   |                              |                             |  |   |
| Medical Assistance Program  | 93.778                          | FY2021                      | 12,263                      | -   | -   | 12,263                       | 12,263                      | -  | -   |
| Total Federal Awards  |                                 |                             | <u>\$ 10,400,335</u>        | <u>\$ 293,682</u>                                   | <u>\$ 1,510,930</u>                       | <u>\$ 7,315,682</u>          | <u>\$ 6,848,331</u>         | <u>\$ 761,033</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, 2021**

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**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Oxford Community Schools (the School District) under programs of the federal government for the year ended June 30, 2021. 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 the School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School District.

**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**

The School District 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 | \$ 7,315,682        |
| Amounts not received with the revenue recognition period      | (77,060)            |
| Federal Child Care Relief Funds not reported on SEFA          | 269,800             |
| Federal interest revenue                                      | <u>823,278</u>      |
| Federal revenue reported on the financial statements          | <u>\$ 8,331,700</u> |

**Note 4 - Subrecipients**

No amounts were provided to subrecipients.

**Oxford Community Schools**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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**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?                    \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified                \_\_\_\_\_ yes      X   none reported

Noncompliance material to financial statements noted?                    \_\_\_\_\_ yes      X   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> |
|-----------------------|---|
| 10.553/10.555/10.559  | Child Nutrition Cluster                   |
| 21.019                | Coronavirus Relief Funds                  |

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, 2021**

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**Section II – Government Auditing Standards Findings**

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards* for the year ended June 30, 2021.

**Section III – Federal Award Findings**

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2021.

**Oxford Community Schools**  
**Summary Schedule of Prior Audit Findings**  
**June 30, 2021**

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**Section IV – Prior Audit Findings**

***Government Auditing Standards Findings***

**2020-001, 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:** Corrected as identified in corrective action plan.

**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.

**Status:** Partially corrected. Progress has been made during the current year and the magnitude of possible misstatement is no longer material. Current year budget overages are disclosed in the notes to the financial statements.

**Federal Award Findings**

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



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October 8, 2021

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 the aggregate remaining fund information of Oxford Community Schools (the School District) as of and for the year ended June 30, 2021, and have issued our report dated October 8, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, and *Government Auditing Standards* and the 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, 2021. Professional standards also require that we communicate to you the following information related to our audit.

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

### **Significant Audit Matters**

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School District are described in Note 1 of the financial statements. The School District has adopted the following Governmental Accounting Standards Board Statements effective July 1, 2020:

- Statement No. 84, *Fiduciary Activities* improves the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The criteria generally is on (1) is the government controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The four fiduciary funds that should be reported, if applicable: (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.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, (1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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 statement 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 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.

### **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, and communicate them to the appropriate level of management. There were no known misstatements detected as a result of audit procedures 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.

## **Emphasis of Matters in Independent Auditors’ Report**

Our report will include the following emphasis of matter paragraph:

### **Adoption of New Accounting Standards**

As described in Note 1 to the financial statements, during the year ended June 30, 2021, the School District adopted GASB Statement No. 84, Fiduciary Activities. 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**

We applied certain limited procedures to management’s discussion and analysis and the remaining required supplementary information (RSI) as described in the table of contents of the financial statements that supplements the basic financial statements. Our procedures 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.

## Restriction on Use

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