

**Oxford Community Schools**

**Financial Statements**

**June 30, 2022**



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**Oxford Community Schools**  
**Members of the Board of Education and Administration**  
**June 30, 2022**

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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

Tim Throne – Superintendent

Sam Barna – Assistant Superintendent of Business & Operations



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## Independent Auditors' Report

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

### Report on the Audit of the Financial Statements

#### Opinions

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, 2022, 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.

In our opinion, based on our audit, 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, 2022, 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.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Change in Accounting Principle

As discussed in Note 15 to the financial statements, in 2022 the school district adopted new accounting guidance, GASBS No. 87, Leases. Our opinions are not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## Required Supplementary Information

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

## Other Supplementary Information

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

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Auburn Hills, Michigan  
October 18, 2022

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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# Oxford Community Schools Management's Discussion and Analysis June 30, 2022

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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 2022 annual financial report presents our discussion and analysis of the Oxford Community School's financial performance during the fiscal year ended June 30, 2022. 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

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**Oxford Community Schools**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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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, 2022**

The School District as a Whole

Summary of the Statement of Net Position (in Millions)

	2022 Governmental Activities	2021 Governmental Activities
<u>Assets</u>		
Current assets	\$ 56.45	\$ 48.99
Right to use assets, net of amortization	0.33	-
Capital assets, net book value	131.34	126.82
Total assets	<u>188.12</u>	<u>175.81</u>
<u>Deferred outflows of resources</u>		
Deferred amount on net pension liability	31.68	33.57
Deferred amount on net OPEB liability	12.57	12.39
Deferred amount on debt refunding	1.70	1.83
Total deferred outflows of resources	<u>45.95</u>	<u>47.79</u>
<u>Liabilities</u>		
Current liabilities	23.71	17.25
Noncurrent liabilities	250.80	301.00
Total liabilities	<u>274.51</u>	<u>318.25</u>
<u>Deferred inflows of resources</u>		
Deferred amount on net pension liability	37.67	5.34
Deferred amount on net OPEB liability	23.84	15.19
Total deferred inflows of resources	<u>336.02</u>	<u>338.78</u>
<u>Net Position</u>		
Invested in capital assets	6.26	3.28
Restricted	10.68	9.61
Unrestricted (deficit)	(118.90)	(128.07)
Total net position	<u>\$ (101.96)</u>	<u>\$ (115.18)</u>

**Oxford Community Schools**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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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 2022 is negative \$101.96 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 6.26 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 \$10.68 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 \$118.90 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.

**Oxford Community Schools**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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Summary of Net Activities (in Millions)		
	2022	2021
	Governmental Activities	Governmental Activities
<u>Revenues</u>		
Program revenues		
Charges for services	\$ 4.65	\$ 4.46
Operating grants and contributions	30.71	22.81
General revenues		
Property taxes	16.54	16.13
State aid	56.43	50.91
Investment earnings	-	0.03
Insurance recoveries	1.27	-
Other	0.21	0.31
Total revenues	109.81	94.65
<u>Expenses</u>		
Instruction	\$ 53.06	\$ 54.10
Support services	32.73	30.88
Student/school activities	1.28	0.58
Food services	2.75	2.44
Community service	2.22	1.64
Interest on long-term debt	4.53	4.93
Total expenses	96.57	94.57
Change in net position	\$ 13.24	\$ 0.07

As reported in the statement of activities, the cost of all our governmental activities this year was \$96.57 million. Certain activities were partially funded by those who benefited from the programs, \$4.64 million, or by other governments and organizations that subsidized certain programs with grants and contributions, \$30.70 million. The remaining "public benefit" portion of our governmental activities was funded with \$16.54 million in taxes; \$56.43 million in State aid; \$1.27 from our insurance provider stemming from the November 30, 2021 tragedy at Oxford High School; and our other revenues, i.e., interest income and general entitlements.

During fiscal year 2022, the School District experienced an increase in net assets of \$13.24 million.

**Oxford Community Schools**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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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 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 2022, the governmental funds reported a combined fund balance of approximately \$33.49 million, an increase of \$1.0 million from fiscal year 2021.

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 \$7.7 million. The most significant increases were due to the budgeting of higher state aid payments directly related to both 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 \$8.1 million. This increase was primarily due to expected salary and benefit costs for revised staffing levels that we experienced throughout the school year.

Economic Factors and Next Year's Budget

Our elected school board members and the administration considered many factors when setting the School District's FY23 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. Approximately 80 percent of total General Fund revenue is from the State portion of the foundation allowance. The final amended budget adopted for FY22 assumed a \$8,700 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 set per pupil funding for FY23 at \$9,150. The blended student count used to formulate the FY23 budget assumes no student growth. However, once the final student count is validated, State law requires the School District to amend the budget if actual School District resources are not sufficient to fund.

**Oxford Community Schools**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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2021-22 School Year

During the 2021-22 school year, Oxford High School was the site of a tragic shooting that resulted in the death of four students and injury of seven other students and staff. This horrific tragedy has shaken our community to the core. There is a tremendous amount of damage both emotionally and physically within our district. Specifically, we have experienced psychological trauma to our students, staff, and families in the community. This tragedy also resulted in a significant interruption in our school year causing our high school to be shut down for over five weeks. Furthermore, we had to physically re-construct a portion of our high school where the tragedy took place.

The Michigan governor and State of Michigan legislature approved funding for Oxford Community Schools via a categorical funding source labeled "11w Pupil Violence response". This 11w violence response funding amounts to \$9.8 Million. A portion of this funding is being used to offset the psychological and physical rebuilding costs that the district has endured. During 2021-22, the district recognized \$1.4 million of this revenue as it offset expenditures related to the tragedy. During 2022-23 the district expects to fully recognize the remaining revenue provided by this violence response funding. The district will see our State Aid revenue decrease by \$3.2 million during the 2022-23 school year to account for the lost school days that our students experienced during the 2021-22 school year related to the tragedy. The 11w violence response funding is meant to also offset this loss of revenue fully.

The Capital Project Fund, which is annually funded by the General Fund, is used for the completion of capital projects throughout the district. The district's General Fund contributed \$2,000,000 during 2021-22 into the capital project fund. The ending fund balance for FY22 for the Capital Project Fund is \$4.6 million.

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, 2022**

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	\$ 16,419,119
Accounts receivable	81,943
Due from other governmental units	28,870,550
Inventory	81,711
Restricted cash	9,490,167
Prepaid items	1,502,101
Right to use assets - net of amortization	325,821
Capital assets not being depreciated	2,911,304
Capital assets - net of accumulated depreciation	<u>128,432,021</u>
Total assets	<u>188,114,737</u>
 <b>Deferred Outflows of Resources</b>	
Deferred amount relating to the net pension liability	31,677,350
Deferred amount relating to the net OPEB liability	12,565,231
Deferred amount on debt refunding	<u>1,697,100</u>
Total deferred outflows of resources	<u>45,939,681</u>

See Accompanying Notes to the Financial Statements

**Oxford Community Schools**  
**Statement of Net Position**  
**June 30, 2022**

	Governmental Activities
<b>Liabilities</b>	
Accounts payable	\$ 526,870
Due to other governmental units	5,226,173
Payroll and related withholdings	2,662,680
Accrued expenditures	751,000
Accrued salaries payable	4,707,251
Unearned revenue	9,831,765
Long-term liabilities	
Debt due within one year	7,714,748
Debt due in more than one year	142,170,895
Net pension liability	94,532,797
Net OPEB liability	6,376,799
Total liabilities	274,500,978
 <b>Deferred Inflows of Resources</b>	
Deferred amount relating to the net pension liability	37,671,091
Deferred amount relating to the net OPEB liability	23,844,843
Total deferred inflows of resources	61,515,934
 <b>Net position</b>	
Net investment in capital assets	3,378,249
Restricted for	
Capital projects	1,222,472
Debt service	9,456,339
Unrestricted (deficit)	(116,019,554)
Total net position	\$ (101,962,494)

See Accompanying Notes to the Financial Statements

**Oxford Community Schools**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
Functions/Programs		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction	\$ 53,055,718	\$ 743,524	\$ 20,583,421	\$ (31,728,773)
Supporting services	32,728,502	266,411	5,165,120	(27,296,971)
Student/school activities	1,281,768	1,608,941	-	327,173
Food services	2,753,272	415,661	3,085,296	747,685
Community services	2,222,981	1,614,514	1,055,357	446,890
Interest and fiscal charges on long-term debt	4,533,421	-	820,410	(3,713,011)
Total governmental activities	\$ 96,575,662	\$ 4,649,051	\$ 30,709,604	(61,217,007)
General revenues				
Property taxes, levied for general purposes				5,355,702
Property taxes, levied for debt service				11,181,109
State aid - unrestricted				56,426,121
Other				210,106
Insurance recoveries				1,266,487
Total general revenues				74,439,525
Change in net position				13,222,518
Net position - beginning				(115,185,012)
<b>Net position - ending</b>				<b>\$ (101,962,494)</b>

See Accompanying Notes to the Financial Statements

**Oxford Community Schools  
Governmental Funds  
Balance Sheet  
June 30, 2022**

	General Fund	2010B QSCB Debt Service	Capital Projects Fund	2020 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash	\$ 8,993,868	\$ 493	\$ 3,681,134	\$ -	\$ 3,743,624	\$ 16,419,119
Investments	-	9,490,167	-	-	-	9,490,167
Accounts receivable	81,943	-	-	-	-	81,943
Due from other funds	1,241,324	196,063	2,000,000	-	1,947,780	5,385,167
Due from other governmental units	28,630,371	-	-	-	240,179	28,870,550
Inventory	-	-	-	-	81,711	81,711
Prepaid items	1,500,993	-	-	-	1,108	1,502,101
<b>Total assets</b>	<b>\$ 40,448,499</b>	<b>\$ 9,686,723</b>	<b>\$ 5,681,134</b>	<b>\$ -</b>	<b>\$ 6,014,402</b>	<b>\$ 61,830,758</b>
<b>Liabilities</b>						
Accounts payable	\$ 470,155	\$ -	\$ 21,754	\$ -	\$ 34,961	\$ 526,870
Due to other funds	4,143,843	-	1,007,058	-	234,266	5,385,167
Due to other governmental units	5,139,197	-	-	-	86,976	5,226,173
Payroll and related withholdings	2,662,680	-	-	-	-	2,662,680
Accrued salaries payable	4,707,251	-	-	-	-	4,707,251
Unearned revenues	9,050,704	-	-	-	781,061	9,831,765
<b>Total liabilities</b>	<b>26,173,830</b>	<b>-</b>	<b>1,028,812</b>	<b>-</b>	<b>1,137,264</b>	<b>28,339,906</b>

See Accompanying Notes to the Financial Statements

**Oxford Community Schools  
Governmental Funds  
Balance Sheet  
June 30, 2022**

	General Fund	2010B QSCB Debt Service	Capital Projects Fund	2020 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Fund Balances</b>						
Non-spendable						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 81,711	\$ 81,711
Prepaid items	1,500,993	-	-	-	1,108	1,502,101
Restricted for						
Cafeteria	-	-	-	-	1,461,305	1,461,305
Debt service	-	9,686,723	-	-	520,616	10,207,339
Capital projects	-	-	4,652,322	-	1,222,472	5,874,794
Committed for						
Student/school activities	-	-	-	-	1,130,678	1,130,678
Community services	-	-	-	-	459,248	459,248
Assigned for						
Long-term obligations	8,469,663	-	-	-	-	8,469,663
Funded education	176,191	-	-	-	-	176,191
Education solutions	1,020,336	-	-	-	-	1,020,336
Athletics	107,486	-	-	-	-	107,486
Future health care costs	3,000,000	-	-	-	-	3,000,000
Total fund balances	<u>14,274,669</u>	<u>9,686,723</u>	<u>4,652,322</u>	<u>-</u>	<u>4,877,138</u>	<u>33,490,852</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ 40,448,499</u>	<u>\$ 9,686,723</u>	<u>\$ 5,681,134</u>	<u>\$ -</u>	<u>\$ 6,014,402</u>	<u>\$ 61,830,758</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, 2022**

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<b>Total fund balances for governmental funds</b>	<b>\$ 33,490,852</b>
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Right to use assets - net of amortization	325,821
Capital assets not being depreciated	2,911,304
Capital assets - net of accumulated depreciation	128,432,021
Other long-term assets are not deferred in the governmental funds.	
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	1,697,100
Deferred inflows of resources resulting from the net pension liability	(37,671,091)
Deferred outflows of resources resulting from the net pension liability	31,677,350
Deferred inflows of resources resulting from the net OPEB liability	(23,844,843)
Deferred outflows of resources resulting from the net OPEB liability	12,565,231
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(751,000)
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	(94,532,797)
Net OPEB liability	(6,376,799)
Compensated absences	(3,038,550)
Bonds payable	(138,666,152)
School bond loan payable	(7,833,457)
Accrued interest on school bond loan fund	(17,927)
Other loans payable and liabilities	(329,557)
<b>Net position of governmental activities</b>	<b><u>\$ (101,962,494)</u></b>

**Oxford Community Schools**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2022**

	General Fund	2010B QSCB Debt Service	Capital Projects Fund	2020 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Local sources	\$ 6,512,874	\$ 1,318,284	\$ 2,929	\$ 490	\$ 13,247,752	\$ 21,082,329
State sources	73,368,450	-	-	-	740,332	74,108,782
Federal sources	4,761,271	820,410	-	-	3,720,312	9,301,993
Interdistrict sources	4,107,321	-	-	-	-	4,107,321
Total revenues	<u>88,749,916</u>	<u>2,138,694</u>	<u>2,929</u>	<u>490</u>	<u>17,708,396</u>	<u>108,600,425</u>
<b>Expenditures</b>						
Current						
Education						
Instruction	50,816,617	-	-	-	-	50,816,617
Supporting services	33,250,675	-	-	-	-	33,250,675
Student/school activities	-	-	-	-	1,281,768	1,281,768
Food services	-	-	-	-	2,546,340	2,546,340
Community services	15,142	-	-	-	2,081,683	2,096,825
Capital outlay	156,440	-	1,087,138	6,524,251	1,379,681	9,147,510
Debt service						
Principal	139,727	-	-	-	19,670,221	19,809,948
Interest and other expenditures	7,238	993,899	-	-	4,310,405	5,311,542
Bond issuance costs	-	-	-	-	121,268	121,268
Total expenditures	<u>84,385,839</u>	<u>993,899</u>	<u>1,087,138</u>	<u>6,524,251</u>	<u>31,391,366</u>	<u>124,382,493</u>
Excess (deficiency) of revenues over expenditures	<u>4,364,077</u>	<u>1,144,795</u>	<u>(1,084,209)</u>	<u>(6,523,761)</u>	<u>(13,682,970)</u>	<u>(15,782,068)</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, 2022**

	General Fund	2010B QSCB Debt Service	Capital Projects Fund	2020 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Other financing sources (uses)</b>						
Proceeds from issuance of bonds	\$ -	\$ -	\$ -	\$ -	\$ 7,530,000	\$ 7,530,000
Premium on issuance of bonds	-	-	-	-	121,982	121,982
Proceeds from school bond loan fund	-	-	-	-	7,832,457	7,832,457
Lease liabilities issued	34,673	-	-	-	-	34,673
Insurance recoveries	184,934	-	1,081,553	-	-	1,266,487
Transfers in	3,360,046	-	2,000,000	-	-	5,360,046
Transfers out	(5,113,391)	-	-	-	(246,655)	(5,360,046)
Total other financing sources (uses)	<u>(1,533,738)</u>	<u>-</u>	<u>3,081,553</u>	<u>-</u>	<u>15,237,784</u>	<u>16,785,599</u>
Net change in fund balances	2,830,339	1,144,795	1,997,344	(6,523,761)	1,554,814	1,003,531
Fund balances - beginning	<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>Fund balances - ending</b>	<u>\$ 14,274,669</u>	<u>\$ 9,686,723</u>	<u>\$ 4,652,322</u>	<u>\$ -</u>	<u>\$ 4,877,138</u>	<u>\$ 33,490,852</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, 2022**

<b>Net change in fund balances - Total governmental funds</b>	\$	1,003,531
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		(5,521,781)
Capital outlay		9,966,276
Sale of capital assets (net book value)		(31,356)
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		31,428,568
Net change in deferrals of resources related to the net pension liability		(34,225,340)
Interest		77,000
Interest on school bond loan fund		24,499
Compensated absences		24,915
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		13,933,041
Net change in deferrals of resources related to the net OPEB liability		(8,476,829)
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		(15,519,112)
Repayments of long-term debt		19,809,714
Amortization of premiums		939,241
Amortization of bond discount		(2,489)
Amortization of deferred amount on refunding		(130,300)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>13,222,518</b>

See Accompanying Notes to the Financial Statements

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

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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, 2022**

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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.

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.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2022, the rates are as follows per \$1,000 of assessed value.

General Fund	
Non-principal resident exemption	17.5501
Commercial personal property	5.5501
Debt Service Funds	7.9400
Sinking Fund	0.7270

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

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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.

*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.

*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,

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

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governmental fund types recognize bond premiums and discounts during the current period.

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

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

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

Deferred Inflows of Resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Deferred inflow for leases is related to leases receivable and is being amortized to recognize lease revenue in a systematic and rational

manner over the term of the lease. 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 MPERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

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

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

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.

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

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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, 2022, 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. 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.

Statement No. 99, *2022 Omnibus* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

#### **Upcoming Accounting and Reporting Changes**

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.

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections. This statement is effective for the year ending June 30, 2024.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending June 30, 2025.

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.

**Excess of Expenditures Over Appropriations**

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

	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Instruction			
Added needs	\$ 7,481,054	\$ 7,600,038	\$ 118,984
Supporting services			
Pupil	5,748,870	6,008,133	259,263
Instructional staff	3,535,580	3,564,533	28,953
School administration	4,893,262	5,008,157	114,895
Business	998,489	1,012,378	13,889
Operations and maintenance	7,424,217	8,161,317	737,100
Pupil transportation services	2,816,555	2,846,699	30,144
Athletics	1,135,835	1,163,470	27,635
Other	5,838	177,045	171,207
Community services	8,421	15,142	6,721
Facility acquisition	150,000	156,440	6,440
Transfers out	3,728,898	5,113,391	1,384,493

**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 projects related to the 2019 Capital Projects Fund and the 2020 Capital Project Fund were considered substantially complete on June 30, 2022, which

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

is the substantial completion date. The 2019 Capital Projects Fund is not reported in the June 30, 2022 financial statements as there was no financial activity in the current year, however, construction was not substantially complete until June 30, 2022 as there were issues with the work completed.

**Compliance – Sinking Funds**

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

**Note 3 - Deposits and Investments**

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

	Governmental Activities
Cash	\$ 16,419,119
Investments	9,490,167
	\$ 25,909,286

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

	Unrestricted
Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 16,419,119
Investments in securities, mutual funds, and similar vehicles - restricted	9,490,167
Total	\$ 25,909,286

Investments of \$9,490,167 are reported as restricted in the 2010B QSCB Debt Service fund for debt service.

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

Investment	Fair Value	Maturities	Rating	Rating Organization
U.S. Treasury securities	\$ 9,490,167	< 1 year	AAAm	S&P

**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, \$17,308,449 of the School District's bank balance of \$17,558,449 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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*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 – Fair Value Measurements**

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

The School District has the following recurring fair value measurements as of June 30, 2022:

- U.S. Treasury securities of \$9,490,167 are valued using quoted market prices (Level 1 inputs).

**Note 5 - Capital Assets**

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

	Restated Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 2,911,304	\$ -	\$ -	\$ 2,911,304
Construction in progress	7,236,806	-	7,236,806	-
Total capital assets not being depreciated	<u>10,148,110</u>	<u>-</u>	<u>7,236,806</u>	<u>2,911,304</u>
Capital assets being depreciated				
Buildings and additions	179,344,976	13,735,984	-	193,080,960
Equipment and furniture	12,914,882	1,864,145	-	14,779,027
Buses and other vehicles	3,002,915	1,568,280	95,500	4,475,695
Right to use asset - buildings and additions	293,827	-	-	293,827
Right to use asset - equipment and furniture	140,550	34,673	-	175,223
Total capital assets being depreciated	<u>195,697,150</u>	<u>17,203,082</u>	<u>95,500</u>	<u>212,804,732</u>
Less accumulated depreciation for				
Buildings and additions	66,448,227	4,313,038	-	70,761,265
Equipment and furniture	10,948,217	505,724	-	11,453,941
Buses and other vehicles	1,192,809	559,790	64,144	1,688,455
Right to use asset - buildings and additions	-	95,545	-	95,545
Right to use asset - equipment and furniture	-	47,684	-	47,684
Total accumulated depreciation	<u>78,589,253</u>	<u>5,521,781</u>	<u>64,144</u>	<u>84,046,890</u>
Net capital assets being depreciated	<u>117,107,897</u>	<u>11,681,301</u>	<u>31,356</u>	<u>128,757,842</u>
Net capital assets	<u>\$ 127,256,007</u>	<u>\$ 11,681,301</u>	<u>\$ 7,268,162</u>	<u>\$ 131,669,146</u>
Total right of use leased assets				
Right to use assets, net of amortization	\$ 434,377	\$ (108,556)	\$ -	\$ 325,821
Capital assets				
Assets not being depreciated	10,148,110	-	7,236,806	2,911,304
Other capital assets, net of depreciation	<u>116,673,520</u>	<u>11,789,857</u>	<u>31,356</u>	<u>128,432,021</u>
Net capital assets	<u>\$ 127,256,007</u>	<u>\$ 11,681,301</u>	<u>\$ 7,268,162</u>	<u>\$ 131,669,146</u>

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

**Governmental activities**

Instruction	\$ 4,417,425
Support services	552,178
Food services	331,307
Community services	220,871
Total governmental activities	<u>\$ 5,521,781</u>

**Note 6 - Interfund Receivables and Payables and Transfers**

Individual interfund receivable and payable balances at year end were:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	\$ 1,007,058
Capital Projects Fund	General Fund	2,000,000
General Fund	Nonmajor Governmental Funds	234,266
2010B QSCB Debt Service	General Fund	196,063
Nonmajor Governmental Funds	General Fund	1,947,780
		<u>\$ 5,385,167</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:

	Transfers Out	
	General Fund	Nonmajor Governmental Funds
Transfers in		
General Fund	\$ -	\$ 246,655
Capital Project Fund	2,000,000	-
	<u>\$ 2,000,000</u>	<u>\$ 246,655</u>

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

**Note 7 - Unearned Revenue**

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

Grants	\$ 9,776,977
Student lunch accounts	54,788
Total	<u>\$ 9,831,765</u>

**Note 8 - Lease Liability**

Lease agreements are summarized as follows:

Description	Date	Maturity Date	Payment Terms	Payment Amount	Interest Rate	Balance June 30, 2022
OVA Office Space	1/29/2019	7/29/2024	Monthly - 66 months	\$ 8,415	2.00%	\$ 197,838
Copiers	1/26/2018 - 6/2/2022	1/26/2023 - 6/2/2027	Monthly - 60 months	122 - 521	2.00%	131,719
						<u>\$ 329,557</u>

Annual requirements to amortize the long-term obligations and related interest are as follows:

Year Ending	Principal	Interest
June 30		
2023	\$ 149,747	\$ 5,158
2024	140,421	2,229
2025	22,841	542
2026	9,916	211
2027	6,632	56
	<u>\$ 329,557</u>	<u>\$ 8,196</u>

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**Note 9 - Long-Term Debt**

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

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds payable					
Government obligation bonds	\$ 139,630,000	\$ 7,530,000	\$ (12,195,000)	\$ 134,965,000	\$ 6,495,000
Premium on bonds	4,555,403	121,982	(939,241)	3,738,144	-
Discount on bonds	(39,481)	-	2,489	(36,992)	-
Total bonds payable	<u>144,145,922</u>	<u>7,651,982</u>	<u>(13,131,752)</u>	<u>138,666,152</u>	<u>6,495,000</u>
Notes from direct borrowings and direct placements					
School Bond Loan	7,476,221	7,832,457	(7,475,221)	7,833,457	-
Accrued interest- SBLF	42,426	-	(24,499)	17,927	-
Total notes from direct borrowings and direct placements	<u>7,518,647</u>	<u>7,832,457</u>	<u>(7,499,720)</u>	<u>7,851,384</u>	<u>-</u>
Other liabilities					
Leases	434,376	34,673	(139,492)	329,557	149,748
Compensated absences	<u>3,063,465</u>	<u>1,043,839</u>	<u>(1,068,754)</u>	<u>3,038,550</u>	<u>1,070,000</u>
Total other liabilities	<u>3,497,841</u>	<u>1,078,512</u>	<u>(1,208,246)</u>	<u>3,368,107</u>	<u>1,219,748</u>
Total	<u>\$ 155,162,410</u>	<u>\$ 16,562,951</u>	<u>\$ (21,839,718)</u>	<u>\$ 149,885,643</u>	<u>\$ 7,714,748</u>

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

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

\$42,075,000 2016 refunding bonds due in annual installments of \$100,000 to \$6,800,000 through 2039, interest at 2.00% to 5.00%	\$	32,085,000
\$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
\$7,530,000 2021 refunding bonds due in annual installments of \$200,000 to \$2,835,000 through 2032, interest at 1.65% to 2.00%		7,530,000
\$24,580,000 2015 refunding bonds series A due in annual installments of \$2,160,000 to \$2,190,000 through 2025, interest at 5.00%		6,530,000
\$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 5.00%		<u>9,470,000</u>
Total general obligation bonded debt	\$	<u>134,965,000</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>	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 6,495,000	\$ 4,557,066
2024	6,750,000	4,284,438
2025	7,420,000	3,982,783
2026	7,685,000	3,718,002
2027	22,890,000	3,512,938
2028 - 2032	50,345,000	8,216,707
2033 - 2037	18,950,000	3,017,871
2038 - 2042	9,850,000	1,468,788
2043 - 2047	4,245,000	399,332
2048	<u>335,000</u>	<u>9,450</u>
Total	<u>\$ 134,965,000</u>	<u>\$ 33,167,375</u>

The general obligation bonds are payable from the Debt Service Funds. As of yearend, the Debt Service Funds had a collective balance of \$10,207,339. Future debt and interest will be payable from future tax levies. Interest expense for the year ended June 30, 2022 was \$5,304,304.

**State School Bond Loan**

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

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

**Compensated Absences**

Accrued compensated absences at year end, consists of \$3,038,550 of vacation and sick hours earned.

**Deferred Amount on Debt Refunding**

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

Deferred amount of refunding activity is summarized below:

	Beginning Balance	Additions	Reductions	Ending Balance
Deferred amount on debt refunding	\$ 1,827,400	\$ -	\$ (130,300)	\$ 1,697,100

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	\$ 9,520,000
2001 School Building and Site Bonds	<u>22,050,000</u>
	<u>\$ 31,570,000</u>

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**Note 10 - Net Investment in Capital Assets**

The composition of net investment in capital assets as of June 30, 2022, was as follows:

Capital assets and right to use assets	
Capital assets, not being depreciated	\$ 2,911,304
Capital assets, net of accumulated depreciation	128,432,021
Right to use assets, net of amortization	<u>325,821</u>
Total capital assets and right to use assets	<u>131,669,146</u>
Unspent bond proceeds	<u>2,652,322</u>
Related debt	
General obligation bonds	134,965,000
School bond loan fund	7,833,457
Unamortized bond premiums	3,738,144
Unamortized bond discounts	(36,992)
Accrued interest from school loan fund refundings	(14,188,847)
Deferred amount on debt refunding	(1,697,100)
Leases	<u>329,557</u>
Total related debt	<u>130,943,219</u>
Net investment in capital assets	<u>\$ 3,378,249</u>

**Note 11 - Risk Management**

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The School District has purchased commercial insurance for 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.

**Note 12 - 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

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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, 2020 valuation will be amortized over an 18-year period beginning Oct. 1, 2020 and ending Sept. 30, 2038.

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2021.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	19.78%
Member Investment Plan	3.0 - 7.0%	19.78%
Pension Plus	3.0 - 6.4%	16.82%
Pension Plus 2	6.2%	19.59%
Defined Contribution	0.0%	13.39%

Required contributions to the pension plan from the School District were \$11,989,073 for the year ending September 30, 2021.

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

At June 30, 2022, the School District reported a liability of \$94,532,797 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2020. 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

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percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2021, the School District's proportion was 0.3993 percent, which was an increase of 0.0326% percent from its proportion measured as of September 30, 2020.

For the plan year ending September 30, 2021, the School District recognized pension expense of \$14,989,388 for the measurement period. For the reporting period ending June 30, 2022, the School District recognized total pension contribution expense \$13,859,752.

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 1,464,354	\$ (556,686)	\$ 907,668
Changes of assumptions	5,959,010	-	5,959,010
Net difference between projected and actual earnings on pension plan investments	-	(30,391,990)	(30,391,990)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	11,107,465	(125,658)	10,981,807
Total to be recognized in future	18,530,829	(31,074,334)	(12,543,505)
School District contributions subsequent to the measurement date	13,146,521	(6,596,757)	6,549,764
Total	<u>\$ 31,677,350</u>	<u>\$ (37,671,091)</u>	<u>\$ (5,993,741)</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. The District will offset the contribution expense in the year ended June 30, 2023 with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be

recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
2022	\$ 1,205,930
2023	(1,848,355)
2024	(4,645,331)
2025	(7,255,749)
	<u>\$ (12,543,505)</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, 2020
- 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

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- 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: RP-2014 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, 2018 valuation. The total pension liability as of September 30, 2021, is based on the results of an actuarial valuation as of September 30, 2020, 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 4.4367 years.

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2021 MPSERS Annual Comprehensive 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 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, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.4 %
Private Equity Pools	16.0	9.1
International Equity	15.0	7.5
Fixed Income Pools	10.5	(0.7)
Real Estate and Infrastructure Pools	10.0	5.4
Absolute Return Pools	9.0	2.6
Real Return/Oppportunistic Pools	12.5	6.1
Short Term Investment Pools	2.0	(1.3)
	100.0%	

*\*Long-term rates of return are net of administrative expenses and 2.0% inflation.*

**Rate of Return**

For the plan year ended September 30, 2021, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 27.3%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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**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%
\$ 135,156,262	\$ 94,532,797	\$ 60,853,280

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

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

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS Annual Comprehensive 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 (MPERS)**

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

**Note 13 - Post-employment Benefits Other Than Pensions (OPEB)**

**Plan Description**

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

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

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

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

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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.

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, 2020 valuation will be amortized over an 18-year period beginning Oct. 1, 2020 and ending Sept. 30, 2038.

**Oxford Community Schools**  
**Notes to the Financial Statements**  
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The schedule below summarizes OPEB contribution rates in effect for plan year 2021.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.43%
Personal Healthcare Fund (PHF)	0.0%	7.57%

Required contributions to the OPEB plan from the School District were \$3,101,318 for the year ended September 30, 2021.

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

At June 30, 2022, the School District reported a liability of \$6,376,799 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2020. 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, 2021, the School District's proportion was 0.4178 percent, which was an increase of 0.0387% percent from its proportion measured as of September 30, 2020.

For the plan year ending September 30, 2021, the School District recognized OPEB expense of (\$2,426,372) for the measurement period. For the reporting period ending June 30, 2022, the School District recognized total OPEB contribution expense of \$3,023,099.

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$ (18,202,120)	\$ (18,202,120)
Changes of assumptions	5,330,688	(797,670)	4,533,018
Net difference between projected and actual earnings on OPEB plan investments	-	(4,806,308)	(4,806,308)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	4,535,379	(38,745)	4,496,634
Total to be recognized in future	9,866,067	(23,844,843)	(13,978,776)
School District contributions subsequent to the measurement date	2,699,164	-	(9,755,432)
Total	\$ 12,565,231	\$ (23,844,843)	\$ (23,734,208)

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

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, 2023. 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 (To Be Recognized in Future OPEB Expenses)	
2022	\$ (3,667,940)
2023	(3,349,170)
2024	(3,131,469)
2025	(2,901,480)
2026	(821,007)
Thereafter	(107,710)
	\$ (13,978,776)

**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, 2020
- 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: Pre-65: 7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 Post-65: 5.25% Year 1 graded to 3.5% Year 15; 3.0% Year 120
- 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: RP-2014 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 Assumption: 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
- Survivor Coverage: 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
- Coverage Election at Retirement: 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total OPEB liability as of September 30, 2021, is based on the results of an actuarial valuation date of September 30, 2020, 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 6.1312 years.

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2020 MPSERS Annual Comprehensive 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, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.4 %
Private Equity Pools	16.0	9.1
International Equity	15.0	7.5
Fixed Income Pools	10.5	(0.7)
Real Estate and Infrastructure Pools	10.0	5.4
Absolute Return Pools	9.0	2.6
Real Return/Opportunistic Pools	12.5	6.1
Short Term Investment Pools	2.0	(1.3)
	<u>100.0%</u>	

\*Long-term rates of return are net of administrative expenses and 2.0% inflation.

**Rate of Return**

For the plan year ended September 30, 2021, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 27.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Discount Rate**

A discount rate of 6.95% 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	Current Discount Rate	1% Increase
5.95%	6.95%	7.95%
<u>\$ 11,849,244</u>	<u>\$ 6,376,799</u>	<u>\$ 1,732,648</u>

**Oxford Community Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ 1,552,062	\$ 6,376,799	\$ 11,805,209

**OPEB Plan Fiduciary Net Position**

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued 2021 MPSERS Annual Comprehensive 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 14 - Contingent Liabilities**

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the fiscal year June 30, 2022.

**Note 15 - Change in Accounting Principle**

As indicated in Note 1, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This statement enhances the relevance and consistency of information of the School District’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. The 2022 financial statements include a prior period adjustment for the right to use assets for \$325,821 and lease liability for \$329,557. This adjustment had no effect on the beginning net position of the School District.

**Note 16 - Significant Event**

On November 30, 2021, Oxford Community Schools was devastated by a school shooting that occurred at Oxford High School. This school shooting was caused by a 15-year-old sophomore student, who has since been arrested and is awaiting criminal trial. As a result of the school shooting, four students tragically lost their lives, and six students and 1 staff member were injured.

The District has received various grants and contributions to assist in funding losses due to school closures, additional support for students and educators effected, mental health, security, and repairs to the high school.

**Note 17 - Litigation**

As a result of the significant event described in Note 16, the District is a defendant in various lawsuits as of June 30, 2022. The litigation is ongoing and there is currently no reasonable estimate of the potential losses that the District may incur related to these matters.

## REQUIRED SUPPLEMENTARY INFORMATION

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**Oxford Community Schools**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>Revenues</b>				
Local sources	\$ 6,055,332	\$ 5,638,249	\$ 6,512,874	\$ 874,625
State sources	62,753,355	69,042,860	73,368,450	4,325,590
Federal sources	4,055,223	5,599,067	4,761,271	(837,796)
Interdistrict sources	3,935,692	4,246,883	4,107,321	(139,562)
Total revenues	<u>76,799,602</u>	<u>84,527,059</u>	<u>88,749,916</u>	<u>4,222,857</u>
<b>Expenditures</b>				
Instruction				
Basic programs	40,270,643	43,534,551	43,216,579	(317,972)
Added needs	7,534,412	7,481,054	7,600,038	118,984
Supporting services				
Pupil	5,266,172	5,748,870	6,008,133	259,263
Instructional staff	3,479,520	3,535,580	3,564,533	28,953
General administration	735,191	1,355,597	1,053,185	(302,412)
School administration	4,576,715	4,893,262	5,008,157	114,895
Business	921,157	998,489	1,012,378	13,889
Operations and maintenance	4,896,071	7,424,217	8,161,317	737,100
Pupil transportation services	2,801,888	2,816,555	2,846,699	30,144
Central	4,439,428	5,004,857	4,255,758	(749,099)
Athletics	1,167,023	1,135,835	1,163,470	27,635
Other	1,707	5,838	177,045	171,207
Community services	9,288	8,421	15,142	6,721
Facility acquisition	-	150,000	156,440	6,440
Debt service				
Principal	-	139,727	139,727	-
Interest and fiscal charges	-	7,238	7,238	-
Total expenditures	<u>76,099,215</u>	<u>84,240,091</u>	<u>84,385,839</u>	<u>145,748</u>
Excess of revenues over expenditures	<u>700,387</u>	<u>286,968</u>	<u>4,364,077</u>	<u>4,077,109</u>

**Oxford Community Schools**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>Other financing sources (uses)</b>				
Lease liabilities issued	-	-	34,673	34,673
Insurance recoveries	-	-	184,934	184,934
Transfers in	-	3,360,046	3,360,046	-
Transfers out	(678,287)	(3,728,898)	(5,113,391)	1,384,493
Total other financing sources (uses)	<u>(678,287)</u>	<u>(368,852)</u>	<u>(1,533,738)</u>	<u>1,604,100</u>
Net change in fund balance	22,100	(81,884)	2,830,339	2,912,223
Fund balance - beginning	<u>11,444,330</u>	<u>11,444,330</u>	<u>11,444,330</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 11,466,430</u>	<u>\$ 11,362,446</u>	<u>\$ 14,274,669</u>	<u>\$ 2,912,223</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)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A. Reporting unit's proportion of net pension liability (%)	0.3993%	0.3667%	0.3489%	0.3420%	0.3337%	0.3187%	0.3046%	0.2838%		
B. Reporting unit's proportionate share of net pension liability	\$ 94,532,797	\$ 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	\$ 37,786,597	\$ 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	250%	375%	375%	345%	305%	288.86%	291.89%	258.53%		
E. Plan fiduciary net position as a percentage of total pension liability	72.60%	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 2021.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2021.

**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,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A. Statutorily required contributions	\$ 13,859,752	\$ 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>13,859,752</u>	<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	\$ 38,590,654	\$ 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	35.91%	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)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A. Reporting unit's proportion of net OPEB liability (%)	0.4178%	0.3791%	0.3521%	0.3482%	0.3340%					
B. Reporting unit's proportionate share of net OPEB liability	\$ 6,376,799	\$ 20,309,840	\$ 25,272,534	\$ 27,675,660	\$ 29,575,736					
C. Reporting unit's covered-employee payroll	\$ 37,786,597	\$ 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	16.88%	60.41%	82.08%	92.89%	104.27%					
E. Plan fiduciary net position as a percentage of total OPEB liability	87.33%	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 2021.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2021.

**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,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A. Statutorily required contributions	\$ 3,023,099	\$ 3,052,069	\$ 2,672,896	\$ 2,463,693	\$ 2,600,195					
B. Contributions in relation to statutorily required contributions	<u>3,023,099</u>	<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>	<u>\$ -</u>					
D. Reporting unit's covered-employee payroll	\$ 38,590,654	\$ 36,414,253	\$ 32,993,535	\$ 31,337,102	\$ 29,414,145					
E. Contributions as a percentage of covered-employee payroll	7.83%	8.38%	8.10%	7.86%	8.84%					

## OTHER SUPPLEMENTARY INFORMATION

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**Oxford Community Schools  
Other Supplementary Information  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2022**

	Special Revenue Funds			Debt Service Funds				Capital Project Fund	Total Nonmajor Governmental Funds
	Cafeteria	Student/ School Activities	Community Services	2015A Debt Service	2016 Debt Service	2018 Debt Service	SBLF Refunding	2018 Sinking Fund	
<b>Assets</b>									
Cash	\$ 133,253	\$ 1,326,795	\$ 668,494	\$ 579	\$ 666	\$ 25,046	\$ 334,032	\$ 1,254,759	\$ 3,743,624
Due from other funds	1,293,732	-	457,362	-	-	-	196,686	-	1,947,780
Due from other governmental units	127,356	-	112,823	-	-	-	-	-	240,179
Inventory	81,711	-	-	-	-	-	-	-	81,711
Prepaid items	-	-	1,108	-	-	-	-	-	1,108
<b>Total assets</b>	<b>\$ 1,636,052</b>	<b>\$ 1,326,795</b>	<b>\$ 1,239,787</b>	<b>\$ 579</b>	<b>\$ 666</b>	<b>\$ 25,046</b>	<b>\$ 530,718</b>	<b>\$ 1,254,759</b>	<b>\$ 6,014,402</b>
<b>Liabilities</b>									
Accounts payable	\$ -	\$ -	\$ 4,430	\$ -	\$ -	\$ -	\$ 10,102	\$ 20,429	\$ 34,961
Due to other funds	-	196,117	-	579	666	25,046	-	11,858	234,266
Due to other governmental units	38,248	-	48,728	-	-	-	-	-	86,976
Unearned revenues	54,788	-	726,273	-	-	-	-	-	781,061
<b>Total liabilities</b>	<b>93,036</b>	<b>196,117</b>	<b>779,431</b>	<b>579</b>	<b>666</b>	<b>25,046</b>	<b>10,102</b>	<b>32,287</b>	<b>1,137,264</b>
<b>Fund Balances</b>									
Non-spendable									
Inventory	81,711	-	-	-	-	-	-	-	81,711
Prepaid items	-	-	1,108	-	-	-	-	-	1,108
Restricted for									
Cafeteria	1,461,305	-	-	-	-	-	-	-	1,461,305
Debt service	-	-	-	-	-	-	520,616	-	520,616
Capital projects	-	-	-	-	-	-	-	1,222,472	1,222,472
Committed for									
Student/school activities	-	1,130,678	-	-	-	-	-	-	1,130,678
Community services	-	-	459,248	-	-	-	-	-	459,248
<b>Total fund balances</b>	<b>1,543,016</b>	<b>1,130,678</b>	<b>460,356</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>520,616</b>	<b>1,222,472</b>	<b>4,877,138</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,636,052</b>	<b>\$ 1,326,795</b>	<b>\$ 1,239,787</b>	<b>\$ 579</b>	<b>\$ 666</b>	<b>\$ 25,046</b>	<b>\$ 530,718</b>	<b>\$ 1,254,759</b>	<b>\$ 6,014,402</b>

**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, 2022**

	Special Revenue Funds			Debt Service Funds				Capital Project Fund	Total
	Cafeteria	Student/ School Activities	Community Services	2015A Debt Service	2016 Debt Service	2018 Debt Service	SBLF Refunding	2018 Sinking Fund	Nonmajor Governmental Funds
<b>Revenues</b>									
Local sources	\$ 334,912	\$ 1,608,941	\$ 1,459,401	\$ 1,643,659	\$ 4,976,364	\$ 454,030	\$ 1,846,279	\$ 924,166	\$ 13,247,752
State sources	151,584	-	588,748	-	-	-	-	-	740,332
Federal sources	3,166,156	-	554,156	-	-	-	-	-	3,720,312
Total revenues	<u>3,652,652</u>	<u>1,608,941</u>	<u>2,602,305</u>	<u>1,643,659</u>	<u>4,976,364</u>	<u>454,030</u>	<u>1,846,279</u>	<u>924,166</u>	<u>17,708,396</u>
<b>Expenditures</b>									
Current									
Education									
Student and school activities	-	1,281,768	-	-	-	-	-	-	1,281,768
Food services	2,546,340	-	-	-	-	-	-	-	2,546,340
Community services	-	-	2,081,683	-	-	-	-	-	2,081,683
Capital outlay	-	-	-	-	-	-	-	1,379,681	1,379,681
Debt service									
Principal	-	-	-	2,205,000	9,990,000	-	7,475,221	-	19,670,221
Interest and other expenditures	-	-	-	437,250	1,669,025	822,974	1,381,156	-	4,310,405
Bond issuance costs	-	-	-	-	-	-	121,268	-	121,268
Total expenditures	<u>2,546,340</u>	<u>1,281,768</u>	<u>2,081,683</u>	<u>2,642,250</u>	<u>11,659,025</u>	<u>822,974</u>	<u>8,977,645</u>	<u>1,379,681</u>	<u>31,391,366</u>
Excess (deficiency) of revenues over expenditures	<u>1,106,312</u>	<u>327,173</u>	<u>520,622</u>	<u>(998,591)</u>	<u>(6,682,661)</u>	<u>(368,944)</u>	<u>(7,131,366)</u>	<u>(455,515)</u>	<u>(13,682,970)</u>
<b>Other financing sources (uses)</b>									
Proceeds from issuance of bonds	-	-	-	-	-	-	7,530,000	-	7,530,000
Premium on issuance of bonds	-	-	-	-	-	-	121,982	-	121,982
Proceeds from school bond loan fund	-	-	-	998,591	6,682,661	151,205	-	-	7,832,457
Transfers out	(120,220)	-	(126,435)	-	-	-	-	-	(246,655)
Total other financing sources (uses)	<u>(120,220)</u>	<u>-</u>	<u>(126,435)</u>	<u>998,591</u>	<u>6,682,661</u>	<u>151,205</u>	<u>7,651,982</u>	<u>-</u>	<u>15,237,784</u>
Net change in fund balances	986,092	327,173	394,187	-	-	(217,739)	520,616	(455,515)	1,554,814
Fund balances - beginning	<u>556,924</u>	<u>803,505</u>	<u>66,169</u>	<u>-</u>	<u>-</u>	<u>217,739</u>	<u>-</u>	<u>1,677,987</u>	<u>3,322,324</u>
<b>Fund balances - ending</b>	<u>\$ 1,543,016</u>	<u>\$ 1,130,678</u>	<u>\$ 460,356</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 520,616</u>	<u>\$ 1,222,472</u>	<u>\$ 4,877,138</u>

**Oxford Community Schools**  
**Other Supplementary Information**  
**Nonmajor Governmental Funds**  
**General Fund Combining Balance Sheet**  
**June 30, 2022**

	General Education	Special Education	Education Solutions	Athletics	Health Care Reserve	General Fund
<b>Assets</b>						
Cash	\$ 8,993,868	\$ -	\$ -	\$ -	\$ -	\$ 8,993,868
Accounts receivable	81,943	-	-	-	-	81,943
Due from other funds	-	152,751	896,620	137,308	3,000,000	4,186,679
Due from other governmental units	23,065,932	1,413,694	4,150,745	-	-	28,630,371
Prepaid items	1,472,140	-	-	28,853	-	1,500,993
Total assets	<u>\$ 33,613,883</u>	<u>\$ 1,566,445</u>	<u>\$ 5,047,365</u>	<u>\$ 166,161</u>	<u>\$ 3,000,000</u>	<u>\$ 43,393,854</u>
<b>Liabilities</b>						
Accounts payable	\$ 464,161	\$ 889	\$ -	\$ 5,105	\$ -	\$ 470,155
Due to other funds	7,089,198	-	-	-	-	7,089,198
Due to other governmental units	797,387	303,948	4,027,029	10,833	-	5,139,197
Payroll and related withholdings	2,305,517	352,518	-	4,645	-	2,662,680
Accrued salaries payable	3,965,113	732,899	-	9,239	-	4,707,251
Unearned revenues	9,050,704	-	-	-	-	9,050,704
Total liabilities	<u>23,672,080</u>	<u>1,390,254</u>	<u>4,027,029</u>	<u>29,822</u>	<u>-</u>	<u>29,119,185</u>
<b>Fund Balances</b>						
Non-spendable						
Prepaid items	1,472,140	-	-	28,853	-	1,500,993
Assigned						
Long-term obligations	8,469,663	-	-	-	-	8,469,663
Funded education	-	176,191	-	-	-	176,191
Education solutions	-	-	1,020,336	-	-	1,020,336
Athletics	-	-	-	107,486	-	107,486
Future health care costs	-	-	-	-	3,000,000	3,000,000
Total fund balances	<u>9,941,803</u>	<u>176,191</u>	<u>1,020,336</u>	<u>136,339</u>	<u>3,000,000</u>	<u>14,274,669</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 33,613,883</u>	<u>\$ 1,566,445</u>	<u>\$ 5,047,365</u>	<u>\$ 166,161</u>	<u>\$ 3,000,000</u>	<u>\$ 43,393,854</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, 2022**

	General Education	Special Education	Education Solutions	Athletics	Health Care Reserve	General Fund
<b>Revenues</b>						
Local sources	\$ 5,750,241	\$ 2,517	\$ 690,186	\$ 69,930	\$ -	\$ 6,512,874
State sources	69,393,203	3,975,247	-	-	-	73,368,450
Federal sources	3,266,750	1,494,521	-	-	-	4,761,271
Interdistrict sources	505,148	3,602,173	-	-	-	4,107,321
Total revenues	<u>78,915,342</u>	<u>9,074,458</u>	<u>690,186</u>	<u>69,930</u>	<u>-</u>	<u>88,749,916</u>
<b>Expenditures</b>						
Current						
Education						
Instruction	44,801,674	6,014,943	-	-	-	50,816,617
Supporting services	27,911,549	4,044,814	97,571	1,196,741	-	33,250,675
Community services	15,142	-	-	-	-	15,142
Capital outlay	155,161	1,279	-	-	-	156,440
Debt service						
Principal	139,727	-	-	-	-	139,727
Interest and other expenditures	7,238	-	-	-	-	7,238
Total expenditures	<u>73,030,491</u>	<u>10,061,036</u>	<u>97,571</u>	<u>1,196,741</u>	<u>-</u>	<u>84,385,839</u>
Excess (deficiency) of revenues over expenditures	5,884,851	(986,578)	592,615	(1,126,811)	-	4,364,077
<b>Other financing sources (uses)</b>						
Lease liabilities issued	34,673					34,673
Insurance recoveries	184,934					184,934
Transfers in (out)	(4,866,736)	986,579	-	1,126,812	1,000,000	(1,753,345)
Total other financing sources (uses)	<u>(4,647,129)</u>	<u>986,579</u>	<u>-</u>	<u>1,126,812</u>	<u>1,000,000</u>	<u>(1,533,738)</u>
Net change in fund balancess	1,237,722	1	592,615	1	1,000,000	2,830,339
Fund balances - beginning	<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>
<b>Fund balances - ending</b>	<u>\$ 9,941,803</u>	<u>\$ 176,191</u>	<u>\$ 1,020,336</u>	<u>\$ 136,339</u>	<u>\$ 3,000,000</u>	<u>\$ 14,274,669</u>

**Oxford Community Schools  
Other Supplementary Information  
Schedule of Outstanding Bonded Indebtedness  
For the Year Ended June 30, 2022**

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2010 School Building and Site Bonds, Series B, QSCB

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
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>\$ 2,484,375</u>	<u>\$ 2,484,375</u>	<u>\$ 15,000,000</u>	<u>\$ 19,968,750</u>

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2022**

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2015 Refunding Bonds Series A - 2004 & 2005

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
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>\$ 325,750</u>	<u>\$ 325,750</u>	<u>\$ 6,530,000</u>	<u>\$ 7,181,500</u>

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2022**

2016 Refunding Bonds - 2006 & 2010A

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
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>\$ 3,031,581</u>	<u>\$ 2,765,464</u>	<u>\$ 32,085,000</u>	<u>\$ 37,882,045</u>

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2022**

2018 Capital Projects Bonds

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
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
<b>Total</b>		<b>\$ 2,943,346</b>	<b>\$ 2,865,550</b>	<b>\$ 9,195,000</b>	<b>\$ 15,003,896</b>

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2022**

2019 Refunding Bonds

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
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>\$ 4,213,921</u>	<u>\$ 3,790,218</u>	<u>\$ 38,550,000</u>	<u>\$ 46,554,139</u>

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2022**

2019 School Building and Site Bonds Series II

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
2023	-	\$ 127,971	\$ 127,972	\$ -	\$ 255,943
2024	-	127,971	127,972	-	255,943
2025	5.000	127,971	115,972	480,000	723,943
2026	5.000	115,971	108,722	290,000	514,693
2027	5.000	108,721	101,472	290,000	500,193
2028	5.000	101,471	94,222	290,000	485,693
2029	5.000	94,221	86,972	290,000	471,193
2030	2.000	86,971	82,772	420,000	589,743
2031	2.000	82,771	78,572	420,000	581,343
2032	2.000	78,571	74,372	420,000	572,943
2033	2.000	74,371	70,272	410,000	554,643
2034	2.130	70,282	65,809	420,000	556,091
2035	2.130	65,809	61,082	445,000	571,891
2036	2.250	61,081	55,963	455,000	572,044
2037	2.250	55,962	50,619	475,000	581,581
2038	2.250	50,618	44,994	500,000	595,612
2039	2.380	44,994	38,581	540,000	623,575
2040	2.380	38,581	31,991	555,000	625,572
2041	2.500	31,990	24,616	590,000	646,606
2042	2.500	24,615	16,866	620,000	661,481
2043	2.630	16,865	8,466	640,000	665,331
2044	2.630	8,466	-	645,000	653,466
Total		<u>\$ 1,596,244</u>	<u>\$ 1,468,279</u>	<u>\$ 9,195,000</u>	<u>\$ 12,259,523</u>

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2022**

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2020 Refunding Bonds

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
2023	2.000	\$ 74,100	\$ 74,100	\$ 300,000	\$ 448,200
2024	2.000	71,100	71,100	300,000	442,200
2025	-	68,100	68,100	-	136,200
2026	2.000	68,100	63,100	500,000	631,200
2027	2.000	63,100	58,100	500,000	621,200
2028	2.000	58,100	53,100	500,000	611,200
2029	2.000	53,100	48,100	500,000	601,200
2030	2.000	48,100	20,100	2,800,000	2,868,200
2031	2.000	20,100	-	2,010,000	2,030,100
Total		<u>\$ 523,900</u>	<u>\$ 455,800</u>	<u>\$ 7,410,000</u>	<u>\$ 8,389,700</u>

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2022**

2020 School Building and Site Bonds Series II

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
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
<b>Total</b>		<b>\$ 1,472,478</b>	<b>\$ 1,398,814</b>	<b>\$ 9,470,000</b>	<b>\$ 12,341,292</b>

**Oxford Community Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**For the Year Ended June 30, 2022**

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2021 Refunding Bonds

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
2023	2.000	\$ 70,123	\$ 68,124	\$ 200,000	\$ 338,247
2024	2.000	68,124	66,123	200,000	334,247
2025	2.000	66,123	61,924	420,000	548,047
2026	2.000	61,924	57,473	445,000	564,397
2027	2.000	57,473	52,773	470,000	580,246
2028	2.000	52,773	47,823	495,000	595,596
2029	2.000	47,823	42,573	525,000	615,396
2030	1.650	42,573	42,573	550,000	635,146
2031	1.750	38,036	38,036	1,390,000	1,466,072
2032	1.850	39,147	-	2,835,000	2,874,147
Total		<u>\$ 544,119</u>	<u>\$ 477,422</u>	<u>\$ 7,530,000</u>	<u>\$ 8,551,541</u>

## CONTINUING DISCLOSURES (UNAUDITED)

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

**Enrollment**

<b>Ten-year Blended Count History</b>	<b>Blended Count</b>	<b>School Year</b>	<b>Blended Count</b>		
2022-2023 Initial Budget	7,058	2016-2017	5,880		
2021-2022	7,130	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		
<b>2020-21</b>	<b>Enrollment</b>	<b>Grade</b>	<b>Enrollment</b>	<b>Grade</b>	<b>Enrollment</b>
Early On/ECSE	21	7th	327	Oxford Virtual Academy	1,767
Kindergarten	362	8th	316	Early College	293
1st	272	9th	392	Oxford Crossroads	27
2nd	295	10th	372	Bishop Kelley Catholic Shared Time	15
3rd	305	11th	334	Faith Baptist Shared Time	26
4th	319	12th	357	Genesee Christian Shared Time	30
5th	301	Post High School	16	Holy Family Catholic Shared Time	62
6th	309	Oxford Bridges	45	Holy Rosary Catholic Shared Time	14
		EMC>1.0 FTE	56	Huron Valley Lutheran Shared Time	11
		Sec 25e Adjust	(3)	Inter City Baptist Shared Time	28
		Sec 23a	13	Lake Orion Baptist Shared Time	4
				Lutheran Northwest Shared Time	3
				Lutheran Westland Shared Time	3
				Most Holy Trinity	3
				Novi Christian Shared Time	41
				Oakland Christian Shared Time	8
				Plymouth Christian Shared Time	49
				Powers Catholic HS Shared Time	26
				St Fabian Catholic Shared Time	24
				St Isaac Jogues Catholic Shared Time	23
				St. John Evangelist Shared Time	53
				St. John Vianney Shared Time	24
				St. Joseph Lake Orion Shared Time	87
				St. Joseph West Branch Shared Time	21
				St. Matthew Lutheran Shared Time	20
				St. Robert Bellarmine Shared Time	25
				St. Thomas More Shared Time	14
				Trinity Lutheran-Utica Shared Time	1
				Washtenaw Christain Shared Time	19

**Oxford Community Schools**  
**Other Supplemental Information**  
**Continuing Disclosure Report (Unaudited)**  
**For the Year Ended June 30, 2022**

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**Labor Relations**

<b>Class</b>	<b>Number</b>	<b>Affiliation</b>	<b>Contract Expires</b>
Teachers and Instructional Staff	331	Oxford Education Association	8/31/2025
OVA Teachers and St Joseph Teachers	107	Not affiliated	N/A
Transportation, Food Service	76	AFSCME	6/30/2025
Administrators	22	Oxford Administrators Association	7/31/2025
Secretaries & Paraprofessionals	97	OESPA	6/30/2025
Child Care	48	Not affiliated	N/A
Tutorial Assistants	2	Not affiliated	N/A
Maintenance	4	Not affiliated	N/A
Central Office Administrative Support	19	Not affiliated	N/A
Central Office Administrators	8	Not affiliated	N/A
Sub Employees (childcare, food service, trans, teach)	27	Not affiliated	N/A
Other Employees	65	Not affiliated	N/A
TOTAL	806		

**Oxford Community Schools  
Other Supplemental Information  
Continuing Disclosure Report (Unaudited)  
For the Year Ended June 30, 2022**

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**Retirement Plan**

<b>Contributions Period</b>	<b>Contribution Rate</b>	<b>Fiscal Year Ended June 30</b>	<b>Contributions to MPSERS</b>
October 1, 2022 - September 30, 2023	28.23%	2023	\$ 17,517,450 Management's estimate
October 1, 2021 - September 30, 2022	28.23%	2022	17,521,669
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

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

**Oxford Community Schools  
Other Supplemental Information  
Continuing Disclosure Report (Unaudited)  
For the Year Ended June 30, 2022**

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**State Aid Payments**

<b>School Year</b>	<b>Blended Pupil Count</b>	<b>Total State Aid School Year</b>
2022-2023	7,058	\$ 71,909,250
2021-2022	7,130	72,979,069
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

Initial budget

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

<b>Year</b>	<b>State Equalized Valuation</b>	<b>Taxable Valuation</b>
2022	\$1,728,652,429	\$1,345,738,733
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

**Oxford Community Schools  
Other Supplemental Information  
Continuing Disclosure Report (Unaudited)  
For the Year Ended June 30, 2022**

**Tax Levies and Collections**

School Year	Operating Tax Levy	Current Collections to March 1		Current Collections to June 30	
		Amount	Percent	Amount	Percent
2022-2023	\$ 5,549,684	In process of collection		Not available	
2021-2022	5,453,558	5,022,117	92.09%	5,282,307	96.86%
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%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Operating	17.4324	17.5501	17.6597	17.7253	17.7253	17.9153
Debt	0.7185	0.7268	0.7344	0.7404	0.7440	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>8.6185</u>	<u>8.6268</u>	<u>8.6344</u>	<u>8.6404</u>	<u>8.6440</u>	<u>7.9000</u>
Sinking Fund	<u>26.0509</u>	<u>26.1769</u>	<u>26.2941</u>	<u>26.3657</u>	<u>26.3693</u>	<u>25.8153</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, 2022**

**School Bond Loan Fund**

As of June 30, 2022, the School District had an outstanding balance, including interest, of \$7,851,384.26 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
6,530,000	2015A Refunding Bonds (UTQ)	08/05/2015
32,085,000	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
7,530,000	2021 Refunding Bonds (UTQ)	07/15/2021
<u>\$ 134,965,000</u>		

The taxpayers below represent 9.27% of the School District's 2022 total taxable valuation of \$1,345,738,733.

\* 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	\$ 47,588,260
DTE Electric Company	Utility	23,869,994
Consumers Energy	Utility	14,679,371
Lake Villa MHC Holding LLC	Mobile Home Community	8,579,820
BKG Oxford LLC	Real Estate	7,251,110
Meijer Inc	Retail	6,157,950
701 Market Street LLC	Iron and Steel Forgings	6,032,470
American Aggregates of Mich	Sand and Gravel	4,710,760
Oxford Plaza LLC	Rental	3,380,130
Village Manor of Oxford LLC	Apartment Rental	2,893,870
TOTAL		<u>\$ 125,143,735</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 2022-2023; 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 2022-2023 which includes 17.4324 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 \$87,932,203 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	\$ 5,785,131
State	72,066,860
Federal	5,749,442
Other	4,635,895
<b>TOTAL REVENUES</b>	<b>\$ 88,237,328</b>
Estimated Fund Balance July 1, 2022	14,274,669
Less Nonspendable	(1,500,993)
Less Assigned	(13,078,801)
<b>TOTAL AVAILABLE TO APPROPRIATE</b>	<b>\$ 87,932,203</b>

**EXPENDITURES**

Instruction		
Basic Programs	\$ 44,515,963	
Added Needs	7,920,469	
Support Services		
Pupil	6,411,297	
Instructional Staff	3,902,453	
General Administration	1,221,562	
School Administration	5,519,835	
Business Office	1,030,539	
Maintenance	7,273,870	
Transportation	3,222,997	
Central	5,234,111	
Athletics	1,244,793	
Other - OIP	163,139	
Community Services	9,099	
Outgoing Transfers and Other	262,076	
<b>TOTAL APPROPRIATED</b>	<b>\$ 87,932,203</b>	

**Oxford Community Schools**

**Single Audit**

**June 30, 2022**



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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, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 18, 2022.

#### **Report on 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) as a basis for designing 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. Given these limitations, during our audit we did not identify

any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on 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 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 18, 2022



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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**

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

We have audited Oxford Community Schools' (the School District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2022. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2022

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

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

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

## Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or agreements applicable to the School District's federal programs.

## Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

## Report on Internal Control over Compliance

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

program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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

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

### **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, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 18, 2022, which contained unmodified opinions on those financial statements. Our audit was performed 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 18, 2022

**Oxford Community Schools**  
**Schedule of Expenditures of Federal Awards**  
**June 30, 2022**

Federal Grantor Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Grant/ Project Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2022	Current Year Cash Transferred to Subrecipient
<b>U.S. Department of Agriculture</b>									
Passed through Michigan Department of Education									
Child Nutrition Cluster									
National School Breakfast Program									
COVID-19 Seamless Summer Option	10.553	211971	\$ 102,378	\$ -	\$ -	\$ 102,378	\$ 102,378	\$ -	\$ -
COVID-19 Seamless Summer Option	10.553	221970	113	-	-	113	-	113	-
School Breakfast Program	10.553	221971	<u>655,547</u>	-	-	655,547	617,736	37,811	-
Total National School Breakfast Program			<u>758,038</u>	-	-	758,038	720,114	37,924	-
National School Lunch Program									
COVID-19 Seamless Summer Option	10.555	211961	309,422	-	-	309,422	309,422	-	-
COVID-19 Seamless Summer Option	10.555	221961	1,753,234	-	-	1,753,234	1,660,624	92,610	-
COVID-19 Seamless Summer Option	10.555	220910	122,955	-	-	122,955	122,955	-	-
COVID-19 Seamless Summer Option	10.555	221960	423	-	-	423	-	423	-
COVID-19 Seamless Summer Option	10.555	211965	4,938	4,938	4,938	-	4,938	-	-
Non-Cash Assistance (Commodities)	10.555	2022	<u>138,161</u>	-	-	138,161	138,161	-	-
Total National School Lunch Program			<u>2,329,133</u>	4,938	4,938	2,324,195	2,236,100	93,033	-
COVID-19 Summer Food Service Program for Children Operating									
COVID-19 Summer Food Service Program for Children Operating	10.559	210904	1,829,394	138,031	1,760,200	69,194	207,225	-	-
COVID-19 Extended Summer Food Service Program for Children	10.559	220900	<u>61,010</u>	-	-	<u>11,666</u>	-	<u>11,666</u>	-
Total COVID-19 Summer Food Service Program for Children Operating			<u>1,890,404</u>	<u>138,031</u>	<u>1,760,200</u>	<u>80,860</u>	<u>207,225</u>	<u>11,666</u>	-
Total Child Nutrition Cluster			<u>4,977,575</u>	<u>142,969</u>	<u>1,765,138</u>	<u>3,163,093</u>	<u>3,163,439</u>	<u>142,623</u>	-
COVID-19 Pandemic EBT Local Costs	10.558	210980	<u>3,063</u>	-	-	<u>3,063</u>	<u>3,063</u>	-	-
Total U.S. Department of Agriculture			<u>4,980,638</u>	<u>142,969</u>	<u>1,765,138</u>	<u>3,166,156</u>	<u>3,166,502</u>	<u>142,623</u>	-
<b>U.S. Federal Communications Commission</b>									
Passed through Universal Service Administrative Company									
COVID-19 Emergency Connectivity Fund (ECF)	32.009	2022	<u>162,424</u>	-	-	<u>162,424</u>	<u>162,424</u>	-	-

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

**Oxford Community Schools**  
**Schedule of Expenditures of Federal Awards**  
**June 30, 2022**

Federal Grantor Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Grant/ Project Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2022	Current Year Cash Transferred to Subrecipient
<b>U.S. Department of Education</b>									
Passed through Michigan Department of Education									
Title I Part A Grants to Local Educational Agencies									
Title I Part A Grants to Local Educational Agencies	84.010	211530	\$ 273,827	\$ 47,269	\$ 191,303	\$ 9,680	\$ 56,949	\$ -	\$ -
Title I Part A Grants to Local Educational Agencies	84.010	221530	311,483	-	-	215,944	184,525	31,419	-
Total Title I Part A Grants to Local Educational Agencies			<u>585,310</u>	<u>47,269</u>	<u>191,303</u>	<u>225,624</u>	<u>241,474</u>	<u>31,419</u>	<u>-</u>
Title III Part A English Language Acquisition State Grants	84.365	220570	2,010	-	-	2,010	-	2,010	-
Passed through Holly Schools									
Title III Part A English Language Acquisition State Grants	84.365	2022	15,007	-	-	15,007	-	15,007	-
Total Title III Part A English Language Acquisition State Grants			<u>17,017</u>	<u>-</u>	<u>-</u>	<u>17,017</u>	<u>-</u>	<u>17,017</u>	<u>-</u>
Passed through Michigan Department of Education									
Title II Part A Supporting Effective Instruction State Grant									
Title II Part A Supporting Effective Instruction State Grant	84.367	210520	138,707	26,244	126,956	-	26,244	-	-
Title II Part A Supporting Effective Instruction State Grant	84.367	220520	88,044	-	-	88,044	73,757	14,287	-
Total Title II Part A Supporting Effective Instruction State Grant			<u>226,751</u>	<u>26,244</u>	<u>126,956</u>	<u>88,044</u>	<u>100,001</u>	<u>14,287</u>	<u>-</u>
Title IV Part A Student Support and Academic Enrichment Program									
Title IV Part A Student Support and Academic Enrichment Program	84.424	210750	16,031	3,547	13,764	-	3,547	-	-
Title IV Part A Student Support and Academic Enrichment Program	84.424	220750	17,600	-	-	17,600	14,631	2,969	-
Total Title IV Part A Student Support and Academic Enrichment Program			<u>33,631</u>	<u>3,547</u>	<u>13,764</u>	<u>17,600</u>	<u>18,178</u>	<u>2,969</u>	<u>-</u>
Education Stabilization Fund									
COVID-19 ESSER Formula II Project	84.425D	203710	184,544	20,125	184,544	-	20,125	-	-
COVID-19 ESSER Formula II Project	84.425D	213712	834,420	-	-	416,416	346,634	69,782	-
COVID-19 ESSER Formula II Project	84.425D	213722	222,750	-	-	139,091	100,691	38,400	-
COVID-19 ESSER Formula II Project	84.425D	213742	110,550	-	-	110,550	90,056	20,494	-
COVID-19 GEER II Project	84.425C	211202	29,500	-	-	29,500	29,500	-	-
COVID-19 ESSER III	84.425U	213713	1,875,322	-	-	1,322,569	1,290,320	32,249	-
COVID-19 ESSER III (11t)	84.425U	213723	5,631,216	-	-	609,693	-	609,693	-
COVID-19 ESSER Formula II Project	84.425D	213752	25,000	-	-	25,000	-	25,000	-
Total Education Stabilization Fund			<u>8,913,302</u>	<u>20,125</u>	<u>184,544</u>	<u>2,652,819</u>	<u>1,877,326</u>	<u>795,618</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, 2022**

Federal Grantor Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Grant/ Project Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2022	Current Year Cash Transferred to Subrecipient
Passed through Oakland County Intermediate School District									
Special Education Cluster									
Special Education - Grants to States									
Special Education - Grants to States	84.027	200450	\$ 1,086,606	\$ 77,842	\$ 1,077,810	\$ 391	\$ 78,233	\$ -	\$ -
Special Education - Grants to States	84.027	210450	1,121,752	434,882	1,117,792	890	434,882	890	-
Special Education - Grants to States	84.027	220450	1,185,232	-	-	1,185,232	750,571	434,661	-
COVID-19 Special Education - Grants to States ARP	84.027X	221280	<u>272,790</u>	<u>-</u>	<u>-</u>	<u>272,790</u>	<u>-</u>	<u>272,790</u>	<u>-</u>
Total Special Education - Grants to States			<u>3,666,380</u>	<u>512,724</u>	<u>2,195,602</u>	<u>1,459,303</u>	<u>1,263,686</u>	<u>708,341</u>	<u>-</u>
Special Education - Preschool Grants									
Special Education - Preschool Grants	84.173	210460	25,429	8,155	25,429	-	8,155	-	-
Special Education - Preschool Grants	84.173	220460	22,154	-	-	22,154	14,775	7,379	-
COVID-19 Special Education - Preschool Grants ARP	84.173X	221285	<u>13,064</u>	<u>-</u>	<u>-</u>	<u>13,064</u>	<u>-</u>	<u>13,064</u>	<u>-</u>
Total Special Education - Preschool Grants			<u>60,647</u>	<u>8,155</u>	<u>25,429</u>	<u>35,218</u>	<u>22,930</u>	<u>20,443</u>	<u>-</u>
Total Special Education Cluster			<u>3,727,027</u>	<u>520,879</u>	<u>2,221,031</u>	<u>1,494,521</u>	<u>1,286,616</u>	<u>728,784</u>	<u>-</u>
Total U.S. Department of Education			<u>13,503,038</u>	<u>618,064</u>	<u>2,737,598</u>	<u>4,495,625</u>	<u>3,523,595</u>	<u>1,590,094</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	2022	<u>26,162</u>	<u>-</u>	<u>-</u>	<u>26,162</u>	<u>26,162</u>	<u>-</u>	<u>-</u>
Total Federal Awards			<u>\$ 18,672,262</u>	<u>\$ 761,033</u>	<u>\$ 4,502,736</u>	<u>\$ 7,850,367</u>	<u>\$ 6,878,683</u>	<u>\$ 1,732,717</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, 2022**

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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, 2022. 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	\$ 7,850,367
Prior year amounts not received with the revenue recognition period	77,060
Federal Child Care Relief Funds not reported on SEFA	554,156
Federal interest revenue	<u>820,410</u>
Federal revenue reported on the financial statements	<u>\$ 9,301,993</u>

**Note 4 - Subrecipients**

No amounts were provided to subrecipients.

**Oxford Community Schools**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2022**

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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>
84.027/84.173/84.027X/84.173X	Special Education Cluster
84.425C/84.425D/84.425U	Education Stabilization Fund

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, 2022**

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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, 2022.

**Section III – Federal Award Findings**

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2022.

**Oxford Community Schools**  
**Summary Schedule of Prior Audit Findings**  
**June 30, 2022**

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**Section IV – Prior Audit Findings**

***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.

**Federal Award Findings**

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

October 18, 2022

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

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Oxford Community Schools (the School District) as of and for the year ended June 30, 2022. We are required to communicate certain matters to you in accordance with generally accepted auditing standards that are related to internal control and the audit.

Our communication includes the following appendices:

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

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

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

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

*Yeo & Yeo, P.C.*

Auburn Hills, Michigan

## Appendix I Auditors' Communication of Significant Matters with Those Charged with Governance

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, 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 May 18, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### 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 the footnotes of the financial statements. The School District has adopted the following Governmental Accounting Standards Board Statements effective July 1, 2021:

- Statement No. 87, *Leases* increases the usefulness of the 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 leasing activities.
- Statement No. 99, *2022 Omnibus* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

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

- The useful lives of its capital assets. Useful lives are estimated based on the expected length of time during which the asset is able to deliver a given level of service.
- Right of use assets and lease liabilities. The estimate is based on management's assessment of the likelihood of exercising renewal options and utilizing reasonable interest and discount rates.
- Net pension liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.
- Net other postemployment (OPEB) liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.

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

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

A significant risk is an identified and assessed risk of material misstatement that, in the auditors' professional judgment, requires special audit consideration. Within our audit, we focused on the following areas.

- Management override of controls
- Improper revenue recognition
- Implementation of new accounting standard
- Events of November 30, 2021

## Additional Information

### Cybersecurity Posture

Cybersecurity posture, an overall measure of cybersecurity strength, is more prevalent than ever as organizations continue to face cybersecurity risks. Billions of emails are sent every day, some of which contain attachments with malicious files or malicious embedded links aimed at negatively impacting unsuspecting organizations. Not only can a successful attack cost thousands of dollars and put a strain on IT resources while remediation efforts are underway, but sensitive information may be breached. Additionally, cyber insurance coverage may be difficult or costly to obtain without adequate safeguards in place within your organization.

Risk assessment is a first step in mitigating cybersecurity risks and improving your organization's overall cybersecurity posture. The National Institute of Standards and Technology published *Framework for Improving Critical Infrastructure Cybersecurity*, which "enables organizations, regardless of size, degree of cybersecurity risk, or cybersecurity sophistication, to apply the principles and best practices of risk management to improving the security and resilience of critical infrastructure." The framework is designed to cover five areas including identification, protection, detection, responsiveness and recovery. The publication can be found at [www.nist.gov](http://www.nist.gov).

Once you have performed a risk assessment, it's time to take action. A few simple solutions that are recommended to prevent cyber-attacks include:

- **Document your program** – Identify specific roles and responsibilities as well as adopting security policies and procedures for your organization to follow, is generally a good practice to have guidelines to follow in the event of an attack. Annually, risks should be reassessed, and the program should be modified to address any identified risks.
- **Offsite back up location** – Frequent data backups are a good safeguard; but if your entire network is compromised, restoring a backup saved to the network, becomes problematic. Routinely backing up data and storing offsite, allows for your organization to get back up and running as quickly as possible, if your network is attacked.
- **Require routine password changes** – Frequently, people have a bad habit of using the same password for multiple applications. Inevitably, at some point that password will likely be compromised in one of those applications. Requiring users to change their password routinely, reduces the risk of your system being accessed with a compromised password. Requiring a complex password to be of a certain length and contain a mixture of character types, reduces your risk even further.
- **Utilizing multifactor authentication (MFA)** – knowing that people may use the same password to access multiple applications, this extra security layer makes it more difficult for attackers to gain access to your system. Microsoft claims that MFA can block over 99.9 percent of account compromise attacks.
- **Provide cybersecurity training** – Security awareness training provides a human firewall to protect your system. Training sessions and automated simulated attacks are utilized to help train people on how to spot phishing email attacks. Yeo & Yeo is able to provide security training to your employees.

Placing significant emphasis on evaluating your organization’s cybersecurity posture, and channeling sufficient resources towards proper risk assessment, implementation, and education will reduce the likelihood of a cybersecurity threat and help lessen the impact of a breach.

### **Accounting Standards**

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

### **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 us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly 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.

There were no known uncorrected misstatements that were more than trivial.

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is 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 that no such disagreements arose during the course of our 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 auditors’ 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:

#### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in 2022 the school district adopted new accounting guidance, GASBS No. 87, *Leases*. 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**

We were engaged to report on other supplementary information as described in the table of contents, other than the continuing disclosures, of the financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, other than the continuing disclosures, 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, other than the continuing disclosures, to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

## **Appendix II**

### **Matters for Management's Consideration**

In planning and performing our audit of the financial statements of the School District as of and for the year ended June 30, 2022, we considered the School District's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

However, during our audit we became aware of the following matter for management's consideration that is an opportunity for strengthening internal controls and compliance and improving operating efficiency. This letter does not affect our report dated October 18, 2022, on the financial statements of the School District.

#### **Monitoring of Budgets**

During our review of the School District's budgets, we noted that the accounting system was not being fully utilized as the main method of tracking budget to actual expenditures. While the School District does have controls and processes to monitor budget to actual expenditures to ensure that there are not material overages, the accounting system is not being utilized to its full potential. We recommend that the School District input all budget amendments into the accounting system to ensure that real time reports are able to be ran by department heads and program managers at any point in time. This will help to ensure that expenditures are not made in excess of appropriations and will help to ensure that the School District is compliance with state and federal budget requirements.

#### **Bank Reconciliations**

During our review of the District's bank reconciliations, it was noted that they were not completed until several months after yearend. We recommend that all bank reconciliations be completed and reviewed at least monthly to ensure that cash is properly reconciled. This will help to ensure that financial information is reported timely and accurately and that any unusual or improper items are identified and corrected, if necessary.