

Oxford Community Schools

Financial Statements

June 30, 2023



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

Table of Contents

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

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

Oxford Community Schools
Members of the Board of Education and Administration
June 30, 2023

Members of the Board of Education

Heather Shafer – President

Dr. Erin Reis – Vice-President

James Sommers – Secretary

Mary Hanser – Treasurer

Amanda McDonough – Trustee

Colleen Schultz – Trustee

Mike Whitney – Trustee

Administration

Vickie Markavitch – Superintendent

Sam Barna – Assistant Superintendent of Business & Operations



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, 2023, 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, 2023, 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.

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 12, 2023, 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 12, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Oxford Community Schools Management's Discussion and Analysis June 30, 2023

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 2023 annual financial report presents our discussion and analysis of the Oxford Community School's financial performance during the fiscal year ended June 30, 2023. 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 and the Capital Projects Fund are all large enough to be considered major funds as well. All other governmental funds presented are in one column as non-major funds because they are not material enough to be considered major.

Financial Section

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

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2023

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, 2023

The School District as a Whole

Summary of the Statement of Net Position (in Millions)

	2023 Governmental Activities	2022 Governmental Activities
<u>Assets</u>		
Current assets	\$ 56.56	\$ 56.45
Right to use assets, net of amortization	0.21	0.33
Capital assets, net book value	129.52	131.34
Total assets	<u>186.29</u>	<u>188.12</u>
<u>Deferred outflows of resources</u>		
Deferred amount on net pension liability	53.54	31.68
Deferred amount on net OPEB liability	14.69	12.57
Deferred amount on debt refunding	1.57	1.70
Total deferred outflows of resources	<u>69.80</u>	<u>45.95</u>
<u>Liabilities</u>		
Current liabilities	19.08	23.71
Noncurrent liabilities	307.18	250.80
Total liabilities	<u>326.26</u>	<u>274.51</u>
<u>Deferred inflows of resources</u>		
Deferred amount on net pension liability	7.39	37.67
Deferred amount on net OPEB liability	18.07	23.84
Total deferred inflows of resources	<u>351.72</u>	<u>336.02</u>
<u>Net Position</u>		
Invested in capital assets	5.21	6.26
Restricted	12.77	10.68
Unrestricted (deficit)	(113.63)	(118.90)
Total net position	<u>\$ (95.65)</u>	<u>\$ (101.96)</u>

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2023

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 2023 is negative \$95.65 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 5.21 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 \$12.77 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 \$113.63 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, 2023**

Summary of Net Activities (in Millions)		
	2023 Governmental Activities	2022 Governmental Activities
<u>Revenues</u>		
Program revenues		
Charges for services	\$ 5.44	\$ 4.65
Operating grants and contributions	42.68	30.71
General revenues		
Property taxes	17.22	16.54
State aid	57.73	56.43
Investment earnings	0.29	-
Insurance recoveries	0.01	1.27
Other	0.20	0.21
Total revenues	123.57	109.81
<u>Expenses</u>		
Instruction	\$ 61.96	\$ 53.06
Support services	43.53	32.73
Student/school activities	1.09	1.28
Food services	3.34	2.75
Community service	3.08	2.22
Interest on long-term debt	4.26	4.53
Total expenses	117.26	96.57
Change in net position	\$ 6.31	\$ 13.22

As reported in the statement of activities, the cost of all our governmental activities this year was \$117.26 million. Certain activities were partially funded by those who benefited from the programs, \$5.44 million, or by other governments and organizations that subsidized certain programs with grants and contributions, \$42.68 million. The remaining "public benefit" portion of our governmental activities was funded with \$17.22 million in taxes; \$57.73 million in State aid; and our other revenues, i.e., insurance recoveries, interest income, and general entitlements.

During fiscal year 2023, the School District experienced an increase in net assets of \$6.31 million.

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2023

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 2023, the governmental funds reported a combined fund balance of approximately \$38.18 million, an increase of \$4.69 million from fiscal year 2022.

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 \$11.16 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 \$11.74 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 FY24 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 FY23 assumed a \$9,150 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 FY24 at \$9,608. The blended student count used to formulate the FY24 budget assumes growth in both our shared time and virtual learning programs but a small decrease in our seated student FTE.

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2023

2022-23 School Year

During the 2022-23 school year, Oxford Community Schools continued educating our students while also working on our district recovery plan that we developed due to our November 30, 2021 tragedy.

At the end of FY21, both 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 amounted to \$9.8 Million. This funding is being used for mental health initiatives and physical rebuilding costs coupled with funding safety/security and trauma informed services . During 2023-24 the district expects to fully recognize the remaining revenue provided by this violence response funding. The district will likely see our State Aid revenue decrease by \$3.5 million within the 2023-24 school year to account for the lost school days that our students experienced during the 2021-22 school year which was directly related to the tragedy.

The Capital Project Fund, which is annually funded by the General Fund, is used for the completion of capital projects throughout the district. The district's General Fund contributed \$1,500,000 during 2022-23 into the capital project fund. The ending fund balance for FY23 for the Capital Project Fund is \$5.9 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

Oxford Community Schools
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Cash	\$ 23,754,880
Accounts receivable	11,400
Due from other governmental units	21,177,350
Inventory	78,157
Investments	10,906,522
Prepaid items	627,577
Right to use assets - net of amortization	206,642
Capital assets not being depreciated	3,288,080
Capital assets - net of accumulated depreciation	126,227,631
 Total assets	 186,278,239
 Deferred Outflows of Resources	
Deferred amount relating to the net pension liability	53,535,078
Deferred amount relating to the net OPEB liability	14,685,987
Deferred amount on debt refunding	1,566,800
 Total deferred outflows of resources	 69,787,865

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Statement of Net Position
June 30, 2023

	Governmental Activities
Liabilities	
Accounts payable	\$ 1,380,393
Due to other governmental units	6,387,293
Payroll and related withholdings	2,758,901
Accrued expenditures	706,869
Accrued salaries payable	4,830,817
Unearned revenue	3,014,304
Long-term liabilities	
Debt due within one year	7,967,136
Debt due in more than one year	134,958,287
Net pension liability	155,638,028
Net OPEB liability	8,615,553
Total liabilities	326,257,581
Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	7,394,604
Deferred amount relating to the net OPEB liability	18,066,666
Total deferred inflows of resources	25,461,270
Net position	
Net investment in capital assets	5,206,615
Restricted for	
Cafeteria	1,358,401
Capital projects	559,755
Debt service	10,849,257
Unrestricted (deficit)	(113,626,775)
Total net position	\$ (95,652,747)

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Statement of Activities
For the Year Ended June 30, 2023

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Functions/Programs				
Governmental activities				
Instruction	\$ 61,963,573	\$ 854,328	\$ 30,959,904	\$ (30,149,341)
Supporting services	43,526,991	365,874	7,739,976	(35,421,141)
Student/school activities	1,091,578	1,085,835	-	(5,743)
Food services	3,335,454	1,374,859	1,566,385	(394,210)
Community services	3,077,725	1,762,540	1,595,880	280,695
Interest and fiscal charges on long-term debt	4,261,324	-	820,410	(3,440,914)
Total governmental activities	\$ 117,256,645	\$ 5,443,436	\$ 42,682,555	(69,130,654)
General revenues				
Property taxes, levied for general purposes				5,403,459
Property taxes, levied for debt service				10,845,871
Property taxes, levied for sinking fund				966,410
State aid - unrestricted				57,732,591
Interest earnings				285,145
Other				200,913
Insurance recoveries				6,012
Total general revenues				75,440,401
Change in net position				6,309,747
Net position - beginning				(101,962,494)
Net position - ending				\$ (95,652,747)

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	2010B QSCB Debt Service	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 13,358,089	\$ 785	\$ 5,525,271	\$ 4,870,735	\$ 23,754,880
Investments	-	10,906,522	-	-	10,906,522
Accounts receivable	10,768	-	-	632	11,400
Due from other funds	1,085,485	606,268	442,018	54,166	2,187,937
Due from other governmental units	21,006,904	-	-	170,446	21,177,350
Inventory	-	-	-	78,157	78,157
Prepaid items	627,577	-	-	-	627,577
Total assets	\$ 36,088,823	\$ 11,513,575	\$ 5,967,289	\$ 5,174,136	\$ 58,743,823
Liabilities					
Accounts payable	\$ 1,366,626	\$ -	\$ -	\$ 13,767	\$ 1,380,393
Due to other funds	1,102,452	-	-	1,085,485	2,187,937
Due to other governmental units	6,318,455	-	-	68,838	6,387,293
Payroll and related withholdings	2,758,901	-	-	-	2,758,901
Accrued salaries payable	4,830,817	-	-	-	4,830,817
Unearned revenues	2,850,260	-	-	164,044	3,014,304
Total liabilities	19,227,511	-	-	1,332,134	20,559,645

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	2010B QSCB Debt Service	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances					
Non-spendable					
Inventory	\$ -	\$ -	\$ -	\$ 78,157	\$ 78,157
Prepaid items	627,577	-	-	-	627,577
Restricted for					
Cafeteria	-	-	-	1,280,244	1,280,244
Debt service	-	11,513,575	-	42,551	11,556,126
Capital projects	-	-	-	559,755	559,755
Committed for					
Student/school activities	-	-	-	1,124,935	1,124,935
Capital projects	-	-	5,967,289	-	5,967,289
Community services	-	-	-	756,360	756,360
Assigned for					
Long-term obligations	11,539,845	-	-	-	11,539,845
Funded education	175,991	-	-	-	175,991
Education solutions	1,408,029	-	-	-	1,408,029
Athletics	109,870	-	-	-	109,870
Future health care costs	3,000,000	-	-	-	3,000,000
Total fund balances	<u>16,861,312</u>	<u>11,513,575</u>	<u>5,967,289</u>	<u>3,842,002</u>	<u>38,184,178</u>
Total liabilities and fund balances	<u>\$ 36,088,823</u>	<u>\$ 11,513,575</u>	<u>\$ 5,967,289</u>	<u>\$ 5,174,136</u>	<u>\$ 58,743,823</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, 2023

Total fund balances for governmental funds	\$ 38,184,178
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	206,642
Capital assets not being depreciated	3,288,080
Capital assets - net of accumulated depreciation	126,227,631
Other long-term assets are not deferred in the governmental funds.	
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	1,566,800
Deferred inflows of resources resulting from the net pension liability	(7,394,604)
Deferred outflows of resources resulting from the net pension liability	53,535,078
Deferred inflows of resources resulting from the net OPEB liability	(18,066,666)
Deferred outflows of resources resulting from the net OPEB liability	14,685,987
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(706,869)
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	(155,638,028)
Net OPEB liability	(8,615,553)
Compensated absences	(2,617,146)
Bonds payable	(131,500,197)
School bond loan payable	(8,306,928)
Accrued interest on school bond loan fund	(293,570)
Other loans payable and liabilities	(207,582)
Net position of governmental activities	\$ (95,652,747)

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, 2023

	General Fund	2010B QSCB Debt Service	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources	\$ 6,190,019	\$ 2,000,342	\$ 3,511	\$ 14,093,374	\$ 22,287,246
State sources	86,061,178	-	-	769,125	86,830,303
Federal sources	5,783,240	820,410	-	2,492,332	9,095,982
Interdistrict sources	5,346,849	-	-	-	5,346,849
	<u>103,381,286</u>	<u>2,820,752</u>	<u>3,511</u>	<u>17,354,831</u>	<u>123,560,380</u>
Expenditures					
Current					
Education					
Instruction	57,374,224	-	-	-	57,374,224
Supporting services	42,020,332	-	-	-	42,020,332
Student/school activities	-	-	-	1,091,578	1,091,578
Food services	-	-	-	3,015,641	3,015,641
Community services	81,992	-	-	2,756,737	2,838,729
Capital outlay	-	-	188,544	1,630,047	1,818,591
Debt service					
Principal	153,930	-	-	6,495,000	6,648,930
Interest and other expenditures	5,674	993,900	-	3,570,893	4,570,467
	<u>99,636,152</u>	<u>993,900</u>	<u>188,544</u>	<u>18,559,896</u>	<u>119,378,492</u>
Excess (deficiency) of revenues over expenditures	<u>3,745,134</u>	<u>1,826,852</u>	<u>(185,033)</u>	<u>(1,205,065)</u>	<u>4,181,888</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, 2023

	General Fund	2010B QSCB Debt Service	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)					
Proceeds from school bond loan fund	\$ -	\$ -	\$ -	\$ 473,471	\$ 473,471
Proceeds from issuance of leases	31,955	-	-	-	31,955
Insurance recoveries	6,012	-	-	-	6,012
Transfers in	3,575,560	-	1,500,000	-	5,075,560
Transfers out	(4,772,018)	-	-	(303,542)	(5,075,560)
Total other financing sources (uses)	<u>(1,158,491)</u>	<u>-</u>	<u>1,500,000</u>	<u>169,929</u>	<u>511,438</u>
Net change in fund balances	2,586,643	1,826,852	1,314,967	(1,035,136)	4,693,326
Fund balances - beginning	<u>14,274,669</u>	<u>9,686,723</u>	<u>4,652,322</u>	<u>4,877,138</u>	<u>33,490,852</u>
Fund balances - ending	<u>\$ 16,861,312</u>	<u>\$ 11,513,575</u>	<u>\$ 5,967,289</u>	<u>\$ 3,842,002</u>	<u>\$ 38,184,178</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, 2023

Net change in fund balances - Total governmental funds	\$ 4,693,326
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expenses.	
Depreciation and amortization expense	(6,180,877)
Capital outlay	4,234,084
Expenses are recorded when incurred in the statement of activities.	
Interest	44,131
Interest on school bond loan fund	(275,643)
Compensated absences	421,404
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	(61,105,231)
Net change in deferrals of resources related to the net pension liability	52,134,215
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	(2,238,754)
Net change in deferrals of resources related to the net OPEB liability	7,898,933
Bond and note proceeds and 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	(505,426)
Repayments of long-term debt	6,648,930
Amortization of premiums	673,444
Amortization of bond discount	(2,489)
Amortization of deferred amount on refunding	<u>(130,300)</u>
Change in net position of governmental activities	\$ <u>6,309,747</u>

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

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 and federal sources, interest income, etc.). 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

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.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

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 for acquiring new school sites, buildings, equipment, and for remodeling and repairs. It is primarily funded by the General Fund from excess revenues. The fund is committed by the Board of Education.

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, 2023, the rates are as follows per \$1,000 of assessed value.

General Fund	
Non-principal resident exemption	17.4324
Commercial personal property	5.4324
Debt Service Funds	7.9000
Sinking Fund	0.7185

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.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

Investments - Investments are stated at fair value. Certificates of deposit are stated at cost which approximates fair value.

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

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

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

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

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

Deferred Outflows of Resources – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Deferred amounts on bond refundings are included in the district-wide financials statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements,

the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities in the following year.

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, 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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

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

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

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

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.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

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, 2023, the general fund balance represented approximately 17% 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. 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.

Upcoming Accounting and Reporting Changes

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 GASBs 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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

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. Individual amendments were not material in relation to the original appropriations.

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			
Supporting services			
Pupil	8,447,244	8,561,404	114,160
Instructional staff	4,528,571	4,795,022	266,451
General administration	3,311,742	3,497,688	185,946
School administration	5,847,511	5,865,749	18,238
Pupil transportation services	3,305,189	3,328,588	23,399
Central	4,415,929	4,417,184	1,255
Other	1,583,000	1,600,924	17,924
Community services	54,862	81,992	27,130
Transfers out	3,573,819	4,772,018	1,198,199

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	\$ 23,754,880
Investments	<u>10,906,522</u>
	<u>\$ 34,661,402</u>

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

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 23,754,880
Investments in securities, mutual funds, and similar vehicles - restricted	<u>10,906,522</u>
Total	<u>\$ 34,661,402</u>

Investments of \$10,906,522 are reported as restricted in the 2010B QSCB Debt Service fund for debt service.

As of year end, the School District had the following investments:

Investment	Fair Value	Maturities	Rating	Rating Organization
U.S. Treasury Note	\$ <u>10,906,522</u>	< 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.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

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, \$24,248,592 of the School District’s bank balance of \$24,498,592 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

Note 4 – 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, 2023:

- U.S. Treasury Note of \$10,906,522 are valued using quoted market prices (Level 2 inputs).

Note 5 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 2,911,304	\$ -	\$ -	\$ 2,911,304
Construction in progress	-	376,776	-	376,776
Total capital assets not being depreciated	<u>2,911,304</u>	<u>376,776</u>	<u>-</u>	<u>3,288,080</u>
Capital assets being depreciated				
Buildings and additions	193,080,960	242,860	-	193,323,820
Equipment and furniture	14,779,027	3,553,550	-	18,332,577
Buses and other vehicles	4,475,695	28,943	-	4,504,638
Right to use asset - buildings and additions	293,827	-	-	293,827
Right to use asset - equipment and furniture	175,223	31,955	8,937	198,241
Total capital assets being depreciated	<u>212,804,732</u>	<u>3,857,308</u>	<u>8,937</u>	<u>216,653,103</u>
Less accumulated depreciation for				
Buildings and additions	70,761,265	4,517,718	-	75,278,983
Equipment and furniture	11,453,941	918,722	-	12,372,663
Buses and other vehicles	1,688,455	593,303	-	2,281,758
Right to use asset - buildings and additions	95,545	95,545	-	191,090
Right to use asset - equipment and furniture	47,684	55,589	8,937	94,336
Total accumulated depreciation	<u>84,046,890</u>	<u>6,180,877</u>	<u>8,937</u>	<u>90,218,830</u>
Net capital assets being depreciated	<u>128,757,842</u>	<u>(2,323,569)</u>	<u>-</u>	<u>126,434,273</u>
Net capital assets	<u>\$ 131,669,146</u>	<u>\$ (1,946,793)</u>	<u>\$ -</u>	<u>\$ 129,722,353</u>
Total right to use leased assets				
Right to use assets, net of amortization	\$ 325,821	\$ (119,179)	\$ -	\$ 206,642
Capital assets				
Assets not being depreciated	2,911,304	376,776	-	3,288,080
Other capital assets, net of depreciation	<u>128,432,021</u>	<u>(2,204,390)</u>	<u>-</u>	<u>126,227,631</u>
Net capital assets	<u>\$ 131,669,146</u>	<u>\$ (1,946,793)</u>	<u>\$ -</u>	<u>\$ 129,722,353</u>

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

Depreciation expense of capital assets and amortization expense of right to use assets were charged to activities of the School District as follows:

Governmental activities

Instruction	\$ 4,944,702
Support services	618,088
Food services	370,853
Community services	<u>247,234</u>
Total governmental activities	<u>\$ 6,180,877</u>

Construction Contracts

At June 30, 2023, the School District had several uncompleted construction contracts in the capital projects fund. The remaining commitment on these construction contracts was approximately \$406,124.

Note 6 - Interfund Receivables, Payables, and Transfers

Individual interfund receivable and payable balances at year end were:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 1,085,485
Capital Projects Fund	General Fund	442,018
2010B QSCB Debt Service	General Fund	606,268
Nonmajor Governmental Funds	General Fund	<u>54,166</u>
		<u>\$ 2,187,937</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 in	Transfers Out		Total
	General Fund	Nonmajor Governmental Funds	
General Fund	\$ 3,272,018	\$ 303,542	\$ 3,575,560
Capital Projects Fund	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>
	<u>\$ 4,772,018</u>	<u>\$ 303,542</u>	<u>\$ 5,075,560</u>

Transfers from the Cafeteria and Community Service Funds were made to the General Fund to cover indirect costs. Transfers from the General Fund to the Capital Projects Fund were made to fund future projects.

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:

Student lunch accounts	\$ 39,573
Grant and categorical aid payments received prior to meeting all eligibility requirements	<u>2,974,731</u>
Total	<u>\$ 3,014,304</u>

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

Note 8 – Leases

Between the 2018 and the 2023 fiscal years, the School District entered into various lease agreements, terms ranging from 48 to 66 months, as lessee for the use of office space and office equipment. As of June 30, 2023, the total value of the lease liabilities was \$207,582. The School District is required to make annual principal and interest payments on the office space and office equipment for the amount of \$1,186 to \$149,955. These leases have interest rates ranging from 2.00% to 2.50%. The value of the right-to-use assets as of the end of the current fiscal year was \$206,642 and had accumulated amortization of \$285,426.

Year Ending June 30	Principal	Interest
2024	\$ 147,136	\$ 2,819
2025	29,726	962
2026	16,974	457
2027	12,039	140
2028	<u>1,707</u>	<u>7</u>
	<u>\$ 207,582</u>	<u>\$ 4,385</u>

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 and leases.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds payable					
Government obligation bonds	\$ 134,965,000	\$ -	\$(6,495,000)	\$ 128,470,000	\$ 6,750,000
Premium on bonds	3,738,144	-	(673,444)	3,064,700	-
Discount on bonds	(36,992)	-	2,489	(34,503)	-
Total bonds payable	<u>138,666,152</u>	<u>-</u>	<u>(7,165,955)</u>	<u>131,500,197</u>	<u>6,750,000</u>
Notes from direct borrowings and direct placements					
School Bond Loan	7,833,457	473,471	-	8,306,928	-
Accrued interest- SBLF	17,927	275,643	-	293,570	-
Total notes from direct borrowings and direct placements	<u>7,851,384</u>	<u>749,114</u>	<u>-</u>	<u>8,600,498</u>	<u>-</u>
Other liabilities					
Leases	329,557	31,955	(153,930)	207,582	147,136
Compensated absences	3,038,550	1,695,451	(2,116,855)	2,617,146	1,070,000
Total other liabilities	<u>3,368,107</u>	<u>1,727,406</u>	<u>(2,270,785)</u>	<u>2,824,728</u>	<u>1,217,136</u>
Total	<u>\$ 149,885,643</u>	<u>\$ 2,476,520</u>	<u>\$ (9,436,740)</u>	<u>\$ 142,925,423</u>	<u>\$ 7,967,136</u>

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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

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%	\$ 29,880,000
\$9,195,000 2018 general obligation bonds due in annual installments of \$190,000 to \$615,000 through 2048, interest at 3.50% to 4.00%	8,595,000
\$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%	7,330,000
\$24,580,000 2015 refunding bonds due in annual installments of \$2,160,000 to \$2,180,000 through 2025, interest at 5.00%	4,340,000
\$38,550,000 2019 refunding bonds series I due in annual installments of \$1,170,000 to \$6,540,000 through 2034, interest at 1.93% to 2.69%	37,550,000
\$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%	7,110,000
\$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>\$ 128,470,000</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:

Year Ending June 30,	Bonds	
	Principal	Interest
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	9,465,000	2,275,024
2029 - 2033	48,770,000	6,777,568
2034 - 2038	13,150,000	2,590,478
2039 - 2043	8,970,000	1,200,092
2044 - 2048	<u>3,370,000</u>	<u>268,986</u>
Total	<u>\$ 128,470,000</u>	<u>\$ 28,610,309</u>

The general obligation bonds are payable from the Debt Service Funds. As of yearend, the Debt Service Funds had a collective balance of \$11,556,126. Future debt and interest will be payable from future tax levies.

Interest expenditures for the fiscal year in the General Fund and Debt Service Funds were \$5,674 and \$4,564,793, respectively.

State School Bond Loan

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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

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

Compensated Absences

Accrued compensated absences at year end, consists of \$2,617,146 of vacation and sick hours earned.

Deferred Amount on Refunding

The previous period refunding's resulted in a difference between the reacquisition price and the net carrying amount of the old debt. As of June 30, 2023, the value of this deferred amount was \$1,566,800. This amount is reported in the accompanying statement of net position as a deferred outflow of resources and is being charged to activities through fiscal year 2039.

Defeased Debt

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 year end, the amount of defeased debt outstanding but removed from the School District's financial statements is as follows:

1996 Debt Issue	\$ 7,230,000
2001 School Building and Site Bonds	<u>19,600,000</u>
	<u>\$ 26,830,000</u>

Note 10 - 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 11 - Pension Plan

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

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

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

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

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended, 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, 2021, valuation will be amortized over a 17-year period beginning October 1, 2021, and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2022.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	20.14%
Member Investment Plan	3.0 - 7.0%	20.14%
Pension Plus	3.0 - 6.4%	17.22%
Pension Plus 2	6.2%	19.93%
Defined Contribution	0.0%	13.73%

Required contributions to the pension plan from the School District were \$14,085,231 for the year ending September 30, 2022.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

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

At June 30, 2023, the School District reported a liability of \$155,638,028 for its proportionate share of the MPERS net pension liability. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2021. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2022, the School District's proportion was .4138 percent, which was an increase of .0145 percent from its proportion measured as of September 30, 2021.

For the plan year ending September 30, 2022, the School District recognized pension expense of \$23,860,558 for the measurement period. For the reporting period ending June 30, 2023, the School District recognized total pension contribution expense of \$15,307,679.

Section 147c of the State School Aid Act (MCL 388.1747c) was amended to include a one-time distribution to districts, intermediate districts, and other participating entities of MPERS, which is referred to as Section 147c(2). Section 147c(2) is required to be forwarded to the state's ORS as additional assets being contributed to the retirement system. This funding is a one-time, state payment toward the MPERS unfunded liability and not part of the actuarially determined contributions and therefore not included in the above pension expense, pension contributions or related deferred inflows/outflows of resources. For the period ending June 30, 2023, the School District recognized in their financial statements an additional amount related to Section 147c(2) of \$4,068,647 in total pension expense and offset in state revenues.

At June 30, 2023, 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	\$ 1,556,923	\$ (347,990)	\$ 1,208,933
Changes of assumptions	26,744,190	-	26,744,190
Net difference between projected and actual earnings on pension plan investments	364,971	-	364,971
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>10,525,480</u>	<u>(60,469)</u>	<u>10,465,011</u>
Total to be recognized in future	39,191,564	(408,459)	38,783,105
School District contributions subsequent to the measurement date	<u>14,343,514</u>	<u>(6,986,145)</u>	<u>7,357,369</u>
Total	<u>\$53,535,078</u>	<u>\$(7,394,604)</u>	<u>\$46,140,474</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, 2024. The District will offset the contribution expense in the year ended June 30, 2024, with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

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)	
2023	\$12,614,947
2024	9,743,257
2025	7,101,881
2026	9,323,020
	\$38,783,105

- 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.

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, 2021
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
 - MIP and Basic Plans: 6.00% net of investment expenses
 - Pension Plus Plan: 6.00% net of investment expenses
 - Pension Plus 2 Plan: 6.00% net of investment expenses

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, 2022, is based on the results of an actuarial valuation date of September 30, 2021, 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 4.3922 years.

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2022 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

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, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.1%
Private Equity Pools	16.0	8.7
International Equity	15.0	6.7
Fixed Income Pools	13.0	(0.2)
Real Estate and Infrastructure Pools	10.0	5.3
Absolute Return Pools	9.0	2.7
Real Return/Oppportunistic Pools	10.0	5.8
Short Term Investment Pools	2.0	(0.5)
	<u>100.0%</u>	

*Long-term rates of return are net of administrative expenses and 2.2% inflation.

Rate of Return

For the plan year ended September 30, 2022, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was (4.18)%. 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 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.00% 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 6.00% (6.00% for the Pension Plus plan, 6.00% 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 6.00% (6.00% for the Pension plus plan, 6.00% 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 *
5.00%	6.00%	7.00%
\$ 205,384,377	\$ 155,638,028	\$ 114,644,796

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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

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

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

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

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

Note 12 - Post-employment Benefits Other Than Pensions (OPEB)

Plan Description

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

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

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

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

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning with fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

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, 2021, valuation will be amortized over a 17-year period beginning October 1, 2021, and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2022.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.09%
Personal Healthcare Fund (PHF)	0.0%	7.23%

Required contributions to the OPEB plan from the School District were \$3,098,471 for the year ended September 30, 2022.

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

At June 30, 2023, the School District reported a liability of \$8,615,553 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2021. 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, 2022, the School District's proportion was .4068 percent, which was a decrease of .0110 percent from its proportion measured as of September 30, 2021.

For the plan year ending September 30, 2022, the School District recognized OPEB expense of \$(2,317,713) for the measurement period. For the reporting period ending June 30, 2023, the School District recognized total OPEB contribution expense of \$3,329,827.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

At June 30, 2023, 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	\$ -	\$(16,874,567)	\$(16,874,567)
Changes of assumptions	7,679,319	(625,294)	7,054,025
Net difference between projected and actual earnings on OPEB plan investments	673,373	-	673,373
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>3,388,158</u>	<u>(566,805)</u>	<u>2,821,353</u>
Total to be recognized in future	11,740,850	(18,066,666)	(6,325,816)
School District contributions subsequent to the measurement date	<u>2,945,137</u>	<u>-</u>	<u>2,945,137</u>
Total	<u>\$ 14,685,987</u>	<u>\$(18,066,666)</u>	<u>\$ (3,380,679)</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024.

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:

<u>Deferred (Inflow) and Deferred Outflow of Resources by Year</u> <u>(To Be Recognized in Future OPEB Expenses)</u>	
2023	\$(2,296,817)
2024	(2,088,685)
2025	(1,865,960)
2026	149,688
2027	(201,851)
Thereafter	<u>(22,191)</u>
	<u><u>\$(6,325,816)</u></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, 2021
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

- 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, 2022, is based on the results of an actuarial valuation date of September 30, 2021, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees in years is 6.2250.

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2022 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.1%
Private Equity Pools	16.0	8.7
International Equity	15.0	6.7
Fixed Income Pools	13.0	(0.2)
Real Estate and Infrastructure Pools	10.0	5.3
Absolute Return Pools	9.0	2.7
Real Return/Oppportunistic Pools	10.0	5.8
Short Term Investment Pools	2.0	(0.5)
	<u>100.0%</u>	

**Long-term rates of return are net of administrative expenses and 2.2% inflation.*

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

Rate of Return

For the plan year ended September 30, 2022, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was (4.99)%. 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 6.00% 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 6.00%. 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 6.00%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
\$ 14,451,761	\$ 8,615,553	\$ 3,700,741

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
\$ 3,607,781	\$ 8,615,553	\$ 14,236,875

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2022 MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

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

Note 13 - 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, 2023.

The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School District's attorneys, the resolution of these matters will

Oxford Community Schools
Notes to the Financial Statements
June 30, 2023

not have a material adverse effect on the financial condition of the School District.

Note 14 – Tax Abatements

The School District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions and Brownfield Redevelopment Agreements granted by Oxford Township. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties.

There are no significant abatements made by the School District.

Note 15 - Significant Event

On November 30, 2021, Oxford Community Schools was devastated by a school shooting that occurred at Oxford High School. 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 affected, mental health, security, and repairs to the high school.

Note 16 - Litigation

As a result of the significant event described in Note 13, the District is a defendant in various lawsuits as of June 30, 2023. 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

Oxford Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Revenues				
Local sources	\$ 5,785,131	\$ 6,210,187	\$ 6,190,019	\$ (20,168)
State sources	72,066,860	82,028,337	86,061,178	4,032,841
Federal sources	5,749,442	5,910,772	5,783,240	(127,532)
Interdistrict sources	4,635,895	5,255,150	5,346,849	91,699
Total revenues	<u>88,237,328</u>	<u>99,404,446</u>	<u>103,381,286</u>	<u>3,976,840</u>
Expenditures				
Instruction				
Basic programs	44,515,963	48,615,763	48,370,456	(245,307)
Added needs	7,920,469	9,086,543	9,003,768	(82,775)
Supporting services				
Pupil	6,411,297	8,447,244	8,561,404	114,160
Instructional staff	3,902,453	4,528,571	4,795,022	266,451
General administration	1,221,562	3,311,742	3,497,688	185,946
School administration	5,519,835	5,847,511	5,865,749	18,238
Business	1,030,539	987,733	986,216	(1,517)
Operations and maintenance	7,273,870	9,062,496	8,967,557	(94,939)
Pupil transportation services	3,222,997	3,305,189	3,328,588	23,399
Central	5,234,111	4,415,929	4,417,184	1,255
Other	1,407,932	1,583,000	1,600,924	17,924
Community services	9,099	54,862	81,992	27,130
Debt service				
Principal	-	153,930	153,930	-
Interest and fiscal charges	-	5,674	5,674	-
Total expenditures	<u>87,670,127</u>	<u>99,406,187</u>	<u>99,636,152</u>	<u>229,965</u>
Excess (deficiency) of revenues over expenditures	<u>567,201</u>	<u>(1,741)</u>	<u>3,745,134</u>	<u>3,746,875</u>

Oxford Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Other financing sources (uses)				
Proceeds from issuance of leases	\$ -	\$ -	\$ 31,955	\$ 31,955
Insurance recoveries	-	-	6,012	6,012
Transfers in	3,000,000	3,575,560	3,575,560	-
Transfers out	(3,462,076)	(3,573,819)	(4,772,018)	(1,198,199)
 Total other financing sources (uses)	 (462,076)	 1,741	 (1,158,491)	 (1,160,232)
 Net change in fund balance	 105,125	 -	 2,586,643	 2,586,643
 Fund balance - beginning	 14,274,669	 14,274,669	 14,274,669	 -
 Fund balance - ending	 \$ 14,379,794	 \$ 14,274,669	 \$ 16,861,312	 \$ 2,586,643

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Reporting unit's proportion of net pension liability (%)	0.4138%	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	\$ 155,638,028	\$ 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	\$ 39,472,616	\$ 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	394.29%	250.18%	374.69%	375.29%	345.05%	304.89%	288.86%	291.89%	258.53%	
E. Plan fiduciary net position as a percentage of total pension liability	60.77%	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 2022.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2022.

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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Statutorily required contributions	\$ 15,307,679	\$ 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>15,307,679</u>	<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	\$ 43,261,964	\$ 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	35.38%	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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Reporting unit's proportion of net OPEB liability (%)	0.4068%	0.4178%	0.3791%	0.3521%	0.3482%	0.3340%				
B. Reporting unit's proportionate share of net OPEB liability	\$ 8,615,553	\$ 6,376,799	\$ 20,309,840	\$ 25,272,534	\$ 27,675,660	\$ 29,575,736				
C. Reporting unit's covered-employee payroll	\$ 39,472,616	\$ 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	21.83%	16.88%	60.41%	82.08%	92.89%	104.27%				
E. Plan fiduciary net position as a percentage of total OPEB liability	83.09%	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 2022.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2022.

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,									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A.	Statutorily required contributions	\$ 3,329,827	\$ 3,023,099	\$ 3,052,069	\$ 2,672,896	\$ 2,463,693	\$ 2,600,195				
B.	Contributions in relation to statutorily required contributions	<u>3,329,827</u>	<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>	<u>\$ -</u>				
D.	Reporting unit's covered-employee payroll	\$ 43,261,964	\$ 38,590,654	\$ 36,414,253	\$ 32,993,535	\$ 31,337,102	\$ 29,414,145				
E.	Contributions as a percentage of covered-employee payroll	7.70%	7.83%	8.38%	8.10%	7.86%	8.84%				

OTHER SUPPLEMENTARY INFORMATION



Oxford Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2023

	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	
Assets									
Cash	\$ 1,253,988	\$ 1,110,594	\$ 995,926	\$ 2,574	\$ 1,456	\$ 1,406	\$ 114,342	\$ 1,390,449	\$ 4,870,735
Accounts receivable	632	-	-	-	-	-	-	-	632
Due from other funds	39,825	14,341	-	-	-	-	-	-	54,166
Due from other governmental units	66,377	-	104,069	-	-	-	-	-	170,446
Inventory	78,157	-	-	-	-	-	-	-	78,157
Total assets	\$ 1,438,979	\$ 1,124,935	\$ 1,099,995	\$ 2,574	\$ 1,456	\$ 1,406	\$ 114,342	\$ 1,390,449	\$ 5,174,136
Liabilities									
Accounts payable	\$ 11,784	\$ -	\$ 1,175	\$ -	\$ -	\$ -	\$ 742	\$ 66	\$ 13,767
Due to other funds	-	-	178,372	2,574	1,456	1,406	71,049	830,628	1,085,485
Due to other governmental units	28,136	-	40,702	-	-	-	-	-	68,838
Unearned revenues	40,658	-	123,386	-	-	-	-	-	164,044
Total liabilities	80,578	-	343,635	2,574	1,456	1,406	71,791	830,694	1,332,134
Fund Balances									
Non-spendable									
Inventory	78,157	-	-	-	-	-	-	-	78,157
Restricted for									
Cafeteria	1,280,244	-	-	-	-	-	-	-	1,280,244
Debt service	-	-	-	-	-	-	42,551	-	42,551
Capital projects	-	-	-	-	-	-	-	559,755	559,755
Committed for									
Student/school activities	-	1,124,935	-	-	-	-	-	-	1,124,935
Community services	-	-	756,360	-	-	-	-	-	756,360
Total fund balances	1,358,401	1,124,935	756,360	-	-	-	42,551	559,755	3,842,002
Total liabilities and fund balances	\$ 1,438,979	\$ 1,124,935	\$ 1,099,995	\$ 2,574	\$ 1,456	\$ 1,406	\$ 114,342	\$ 1,390,449	\$ 5,174,136

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, 2023

	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	
Revenues									
Local sources	\$ 1,374,972	\$ 1,085,835	\$ 1,550,880	\$ 2,517,000	\$ 3,387,026	\$ 1,410,974	\$ 1,799,357	\$ 967,330	\$ 14,093,374
State sources	126,381	-	642,744	-	-	-	-	-	769,125
Federal sources	1,440,004	-	1,052,328	-	-	-	-	-	2,492,332
Total revenues	2,941,357	1,085,835	3,245,952	2,517,000	3,387,026	1,410,974	1,799,357	967,330	17,354,831
Expenditures									
Current									
Education									
Student and school activities	-	1,091,578	-	-	-	-	-	-	1,091,578
Food services	3,015,641	-	-	-	-	-	-	-	3,015,641
Community services	-	-	2,756,737	-	-	-	-	-	2,756,737
Capital outlay	-	-	-	-	-	-	-	1,630,047	1,630,047
Debt service									
Principal	-	-	-	2,190,000	2,205,000	600,000	1,500,000	-	6,495,000
Interest and other expenditures	-	-	-	327,000	1,182,026	810,974	1,250,893	-	3,570,893
Total expenditures	3,015,641	1,091,578	2,756,737	2,517,000	3,387,026	1,410,974	2,750,893	1,630,047	18,559,896
Excess (deficiency) of revenues over expenditures	(74,284)	(5,743)	489,215	-	-	-	(951,536)	(662,717)	(1,205,065)
Other financing sources (uses)									
Proceeds from school bond loan fund	-	-	-	-	-	-	473,471	-	473,471
Transfers out	(110,331)	-	(193,211)	-	-	-	-	-	(303,542)
Total other financing sources (uses)	(110,331)	-	(193,211)	-	-	-	473,471	-	169,929
Net change in fund balances	(184,615)	(5,743)	296,004	-	-	-	(478,065)	(662,717)	(1,035,136)
Fund balances - beginning	1,543,016	1,130,678	460,356	-	-	-	520,616	1,222,472	4,877,138
Fund balances - ending	\$ 1,358,401	\$ 1,124,935	\$ 756,360	\$ -	\$ -	\$ -	\$ 42,551	\$ 559,755	\$ 3,842,002

Oxford Community Schools
Other Supplementary Information
General Fund
General Fund Combining Balance Sheet
June 30, 2023

	General Education	Funded Education	Education Solutions	Athletics	Health Care Reserve	General Fund
Assets						
Cash	\$ 8,385,897	\$ 541,196	\$ 1,277,982	\$ 153,014	\$ 3,000,000	\$ 13,358,089
Accounts receivable	10,768	-	-	-	-	10,768
Due from other funds	1,085,485	-	-	-	-	1,085,485
Due from other governmental units	15,243,095	1,252,031	4,511,778	-	-	21,006,904
Prepaid items	600,908	200	-	26,469	-	627,577
Total assets	<u>\$ 25,326,153</u>	<u>\$ 1,793,427</u>	<u>\$ 5,789,760</u>	<u>\$ 179,483</u>	<u>\$ 3,000,000</u>	<u>\$ 36,088,823</u>
Liabilities						
Accounts payable	\$ 1,317,314	\$ 37,826	\$ 4,500	\$ 6,986	\$ -	\$ 1,366,626
Due to other funds	1,102,452	-	-	-	-	1,102,452
Due to other governmental units	1,645,575	283,626	4,377,231	12,023	-	6,318,455
Payroll and related withholdings	2,295,952	454,314	-	8,635	-	2,758,901
Accrued salaries payable	3,973,847	841,470	-	15,500	-	4,830,817
Unearned revenues	2,850,260	-	-	-	-	2,850,260
Total liabilities	<u>13,185,400</u>	<u>1,617,236</u>	<u>4,381,731</u>	<u>43,144</u>	<u>-</u>	<u>19,227,511</u>
Fund Balances						
Non-spendable						
Prepaid items	600,908	200	-	26,469	-	627,577
Assigned						
Long-term obligations	11,539,845	-	-	-	-	11,539,845
Funded education	-	175,991	-	-	-	175,991
Education solutions	-	-	1,408,029	-	-	1,408,029
Athletics	-	-	-	109,870	-	109,870
Future health care costs	-	-	-	-	3,000,000	3,000,000
Total fund balances	<u>12,140,753</u>	<u>176,191</u>	<u>1,408,029</u>	<u>136,339</u>	<u>3,000,000</u>	<u>16,861,312</u>
Total liabilities and fund balances	<u>\$ 25,326,153</u>	<u>\$ 1,793,427</u>	<u>\$ 5,789,760</u>	<u>\$ 179,483</u>	<u>\$ 3,000,000</u>	<u>\$ 36,088,823</u>

**Oxford Community Schools
Other Supplementary Information
General Fund**

**General Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023**

	General Education	Funded Education	Education Solutions	Athletics	Health Care Reserve	General Fund
Revenues						
Local sources	\$ 6,076,657	\$ -	\$ -	\$ 113,362	\$ -	\$ 6,190,019
State sources	81,317,280	4,743,898	-	-	-	86,061,178
Federal sources	4,417,587	1,365,653	-	-	-	5,783,240
Interdistrict sources	444,893	4,152,910	749,046	-	-	5,346,849
	<u>92,256,417</u>	<u>10,262,461</u>	<u>749,046</u>	<u>113,362</u>	<u>-</u>	<u>103,381,286</u>
Expenditures						
Current						
Education						
Instruction	50,433,829	6,940,395	-	-	-	57,374,224
Supporting services	34,953,091	5,330,714	361,353	1,375,174	-	42,020,332
Community services	80,434	1,558	-	-	-	81,992
Debt service						
Principal	153,930	-	-	-	-	153,930
Interest and other expenditures	5,674	-	-	-	-	5,674
	<u>85,626,958</u>	<u>12,272,667</u>	<u>361,353</u>	<u>1,375,174</u>	<u>-</u>	<u>99,636,152</u>
Excess (deficiency) of revenues over expenditures	<u>6,629,459</u>	<u>(2,010,206)</u>	<u>387,693</u>	<u>(1,261,812)</u>	<u>-</u>	<u>3,745,134</u>
Other financing sources (uses)						
Lease liabilities issued	31,955	-	-	-	-	31,955
Insurance recoveries	6,012	-	-	-	-	6,012
Transfers in (out)	(4,468,476)	2,010,206	-	1,261,812	-	(1,196,458)
	<u>(4,430,509)</u>	<u>2,010,206</u>	<u>-</u>	<u>1,261,812</u>	<u>-</u>	<u>(1,158,491)</u>
Net change in fund balances	2,198,950	-	387,693	-	-	2,586,643
Fund balances - beginning	9,941,803	176,191	1,020,336	136,339	3,000,000	14,274,669
Fund balances - ending	<u>\$ 12,140,753</u>	<u>\$ 176,191</u>	<u>\$ 1,408,029</u>	<u>\$ 136,339</u>	<u>\$ 3,000,000</u>	<u>\$ 16,861,312</u>

**Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2023**

2010 School Building and Site Bonds, Series B, QSCB

<u>Year Ending June 30,</u>	<u>Interest Rate (Percent)</u>	<u>Interest Due November 1</u>	<u>Interest Due May 1</u>	<u>Principal Due May 1</u>	<u>Total</u>
2024	6.625	\$ 496,875	\$ 496,875	\$ -	\$ 993,750
2025	6.625	496,875	496,875	-	993,750
2026	6.625	496,875	496,875	-	993,750
2027	6.625	<u>496,875</u>	<u>496,875</u>	<u>15,000,000</u>	<u>15,993,750</u>
Total		<u>\$ 1,987,500</u>	<u>\$ 1,987,500</u>	<u>\$ 15,000,000</u>	<u>\$ 18,975,000</u>

**Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2023**

2015 Refunding Bonds Series A - 2004 & 2005

<u>Year Ending June 30,</u>	<u>Interest Rate (Percent)</u>	<u>Interest Due November 1</u>	<u>Interest Due May 1</u>	<u>Principal Due May 1</u>	<u>Total</u>
2024	5.000	\$ 108,500	\$ 108,500	\$ 2,180,000	\$ 2,397,000
2025	5.000	<u>54,000</u>	<u>54,000</u>	<u>2,160,000</u>	<u>2,268,000</u>
Total		<u>\$ 162,500</u>	<u>\$ 162,500</u>	<u>\$ 4,340,000</u>	<u>\$ 4,665,000</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2023

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
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>\$ 2,427,067</u>	<u>\$ 2,188,451</u>	<u>\$ 29,880,000</u>	<u>\$ 34,495,518</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2023

2018 Capital Projects Bonds

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
2024	-	\$ 164,733	\$ 164,732	\$ -	\$ 329,465
2025	-	164,733	164,732	-	329,465
2026	-	164,733	164,732	-	329,465
2027	-	164,733	164,732	-	329,465
2028	-	164,733	164,732	-	329,465
2029	-	164,733	164,732	-	329,465
2030	4.000	164,733	158,932	290,000	613,665
2031	4.000	158,933	152,732	310,000	621,665
2032	4.000	152,733	146,132	330,000	628,865
2033	4.000	146,133	139,332	340,000	625,465
2034	4.000	139,333	131,932	370,000	641,265
2035	4.000	131,933	124,132	390,000	646,065
2036	4.000	124,133	124,132	400,000	648,265
2037	4.000	116,133	116,132	415,000	647,265
2038	4.000	107,833	107,832	420,000	635,665
2039	4.000	99,433	97,432	415,000	611,865
2040	4.000	91,133	89,132	535,000	715,265
2041	4.000	80,433	78,432	535,000	693,865
2042	4.000	69,733	66,732	550,000	686,465
2043	3.500	58,733	55,732	570,000	684,465
2044	3.500	48,383	45,757	585,000	679,140
2045	3.500	38,145	35,520	600,000	673,665
2046	3.600	27,645	25,020	615,000	667,665
2047	3.600	16,650	13,950	590,000	620,600
2048	3.600	6,030	3,420	335,000	344,450
Total		\$ 2,766,613	\$ 2,700,807	\$ 8,595,000	\$ 14,062,420

**Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2023**

2019 Refunding Bonds

Year Ending June 30,	Interest Rate (Percent)	Interest Due November 1	Interest Due May 1	Principal Due May 1	Total
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>\$ 3,729,562</u>	<u>\$ 3,315,208</u>	<u>\$ 37,550,000</u>	<u>\$ 44,594,770</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2023

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
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		\$ 1,468,273	\$ 1,340,307	\$ 9,195,000	\$ 12,003,580

**Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2023**

2020 Refunding Bonds

<u>Year Ending June 30,</u>	<u>Interest Rate (Percent)</u>	<u>Interest Due November 1</u>	<u>Interest Due May 1</u>	<u>Principal Due May 1</u>	<u>Total</u>
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	<u>20,100</u>	<u>-</u>	<u>2,010,000</u>	<u>2,030,100</u>
Total		<u>\$ 449,800</u>	<u>\$ 381,700</u>	<u>\$ 7,110,000</u>	<u>\$ 7,941,500</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2023

2020 School Building and Site Bonds Series III

<u>Year Ending June 30,</u>	<u>Interest Rate (Percent)</u>	<u>Interest Due November 1</u>	<u>Interest Due May 1</u>	<u>Principal Due May 1</u>	<u>Total</u>
2024	-	\$ 106,032	\$ 106,033	\$ -	\$ 212,065
2025	5.000	106,032	93,533	500,000	699,565
2026	-	93,532	93,533	-	187,065
2027	-	93,532	93,533	-	187,065
2028	-	93,532	93,533	-	187,065
2029	-	93,532	93,533	-	187,065
2030	-	93,532	93,533	-	187,065
2031	-	93,532	93,533	-	187,065
2032	2.000	93,532	88,533	500,000	682,065
2033	2.000	88,532	83,533	500,000	672,065
2034	2.000	83,532	78,533	500,000	662,065
2035	2.000	78,532	68,433	1,010,000	1,156,965
2036	2.000	68,432	62,683	1,025,000	1,156,115
2037	2.000	58,182	52,433	1,045,000	1,155,615
2038	2.050	47,732	41,983	1,070,000	1,159,715
2039	2.230	36,785	30,748	1,085,000	1,152,533
2040	2.230	25,137	18,813	1,110,000	1,153,950
2041	2.280	12,794	6,325	1,125,000	1,144,119
Total		<u>\$ 1,366,446</u>	<u>\$ 1,292,781</u>	<u>\$ 9,470,000</u>	<u>\$ 12,129,227</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
For the Year Ended June 30, 2023

2021 Refunding Bonds

<u>Year Ending June 30,</u>	<u>Interest Rate (Percent)</u>	<u>Interest Due November 1</u>	<u>Interest Due May 1</u>	<u>Principal Due May 1</u>	<u>Total</u>
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
		<u>\$ 473,996</u>	<u>\$ 409,298</u>	<u>\$ 7,330,000</u>	<u>\$ 8,213,294</u>
Total					

CONTINUING DISCLOSURES (UNAUDITED)

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

Enrollment

Ten-year Blended Count History	Blended Count	School Year	Blended Count
2023-2024 Initial Budget	7,228	2017-2018	6,173
2022-2023	7,084	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

2022-23	Enrollment	Grade	Enrollment	Grade	Enrollment
Early On/ECSE	20	7th	321	Oxford Virtual Academy	1,712
Kindergarten	352	8th	336	Early College	29
1st	297	9th	374	Oxford Crossroads	23
2nd	269	10th	430	Auburn Area Catholic Shared Time	13
3rd	304	11th	404	Bishop Kelley Catholic Shared Time	1
4th	312	12th	437	Faith Baptist Shared Time	30
5th	330	Post High School	20	Genesee Christian Shared Time	30
6th	305	Oxford Bridges	38	Holy Family Catholic Shared Time	63
		Sec 25e Adjust	(8)	Holy Family Tawas Shared Time	15
		Sec 23a	9	Holy Rosary Catholic Shared Time	14
				Huron Valley Lutheran Shared Time	11
				Inter City Baptist Shared Time	28
				Lake Orion Baptist Shared Time	6
				Lutheran Northwest Shared Time	5
				Lutheran Westland Shared Time	3
				Most Holy Trinity Shared Time	4
				Novi Christian Shared Time	46
				Oakland Christian Shared Time	8
				Plymouth Christian Shared Time	49
				Powers Catholic HS Shared Time	21
				St Fabian Catholic Shared Time	24
				St Isaac Jogues Catholic Shared Time	22
				St. John Evangelist Shared Time	39
				St. John Vianney Shared Time	23
				St. Joseph Lake Orion Shared Time	152
				St. Joseph West Branch Shared Time	15
				St. Mary Catholic Garlord Shared Time	71
				St. Matthew Lutheran Shared Time	20
				St. Robert Bellarmine Shared Time	22
				St. Thomas More Shared Time	15
				Washtenaw Christain Shared Time	20

Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2023

Labor Relations

Class	Number	Affiliation	Contract Expires
Teachers and Instructional Staff (including OVA)	400	Oxford Education Association	8/31/2025
Shared Time - Teachers and other staff	67	Not affiliated	N/A
Transportation, Food Service	78	AFSCME	6/30/2025
Administrators	21	Oxford Administrators Association	7/31/2025
Secretaries & Paraprofessionals	111	OESPA	6/30/2025
Child Care	49	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)	41	Not affiliated	N/A
Other Employees	66	Not affiliated	N/A
TOTAL	<u>864</u>		

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2023**

Retirement Plan

Contributions Period	Contribution Rate	Fiscal Year Ended June 30	Contributions to MPERS	
October 1, 2023 - September 30, 2024	31.34%	2024	\$ 24,059,402	Management's estimate
October 1, 2022 - September 30, 2023	28.23%	2023	23,485,128	
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	

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

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2023**

State Aid Payments		
School Year	Blended Pupil Count	Total State Aid School Year
2023-2024	7,228	\$ 84,032,884
2022-2023	7,084	77,084,121
2021-2022	7,130	79,773,669
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

Initial budget

History of Valuation - State Equalized Valuation and Taxable Valuation			
Year	State Equalized Valuation		Taxable Valuation
2023	\$	1,906,391,881	\$ 1,445,275,794
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

Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2023

Tax Levies and Collections

<u>School Year</u>	<u>Operating Tax Levy</u>	<u>Current Collections to March 1</u>		<u>Current Collections to June 30</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2023-2024	\$ 5,934,431	In process of collection		Not available	
2022-2023	5,549,684	5,215,000	93.97%	5,387,647	97.08%
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%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating - Non-Homestead	17.4324	17.4324	17.5501	17.6597	17.7253	17.7253
Sinking Fund	N/A	0.7185	0.7268	0.7344	0.7404	0.7440
Debt	7.9000	7.9000	7.9000	7.9000	7.9000	7.9000
Total Homestead	7.9000	8.6185	8.6268	8.6344	8.6404	8.6440
Total Non-Homestead	25.3324	26.0509	26.1769	26.2941	26.3657	26.3693

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, 2023**

School Bond Loan Fund

As of June 30, 2023, the School District had an outstanding balance, including interest, of \$8,600,497.79 in the School Bond Loan Fund.

Source: Michigan Department of Treasury

<u>Direct Debt</u>	<u>Bond</u>	<u>Year</u>
\$ 15,000,000	2010 QSCB Bonds (GO-UTQ)	04/14/2010
4,340,000	2015A Refunding Bonds (UTQ)	08/05/2015
29,880,000	2016 Refunding Bonds (UTQ)	08/09/2016
8,595,000	2018 Capital Projects Bonds, Series I (UTQ)	11/07/2017
37,550,000	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
7,110,000	2020 Refunding Bonds (UTQ)	06/16/2020
7,330,000	2021 Refunding Bonds (UTQ)	07/15/2021
<u>\$ 128,470,000</u>		

The taxpayers below represent 9.01% of the School District's 2023 total taxable valuation of \$1,445,275,794.

* 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	\$ 48,435,160
DTE Electric Company	Utility	25,421,104
Consumers Energy	Utility	15,110,747
Lake Villa MHC Holding LLC	Mobile Home Community	9,008,790
BKG Oxford LLC	Real Estate	7,627,350
Meijer Inc	Retail	6,436,890
701 Market Street LLC	Iron and Steel Forgings	5,985,000
American Aggregates of Mich	Sand and Gravel	4,946,200
AMC-KSG Properties LLC	Rental	4,191,000
Village Manor of Oxford LLC	Apartment Rental	3,038,560
TOTAL		<u>\$ 130,200,801</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 2023-2024; 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 2023-2024 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 \$103,072,329 of the total available to appropriate in the general fund is hereby appropriated in the amounts and for the purposes set forth below:

REVENUES	
Local	\$ 6,410,610
State	84,110,755
Federal	6,464,548
Other	<u>6,086,416</u>
TOTAL REVENUES	\$ 103,072,329
Estimated Fund Balance July 1, 2023	14,274,669
Less Nonspendable	(627,577)
Less Assigned	<u>(13,647,092)</u>
TOTAL AVAILABLE TO APPROPRIATE	<u>\$ 103,072,329</u>

EXPENDITURES	
Instruction	
Basic Programs	\$ 50,531,478
Added Needs	9,184,951
Support Services	
Pupil	8,535,126
Instructional Staff	4,736,719
General Administration	1,223,531
School Administration	6,004,103
Business Office	1,007,753
Maintenance	11,704,444
Transportation	3,292,805
Central	4,483,524
Athletics	1,355,536
Other	282,970
Community Services	55,938
Outgoing Transfers and Other	<u>673,451</u>
TOTAL APPROPRIATED	<u>\$ 103,072,329</u>

Oxford Community Schools

Single Audit

June 30, 2023



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

Table of Contents

	Page
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
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	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs	11
Summary Schedule of Prior Audit Findings	13



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, 2023, 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 12, 2023.

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 statements. 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 12, 2023



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, 2023. 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, 2023

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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, 2023, 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 12, 2023, 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 12, 2023

Oxford Community Schools
Schedule of Expenditures of Federal Awards
June 30, 2023

Federal Grantor Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Grant/ Project Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2023
U.S. Department of Agriculture								
Passed through Michigan Department of Education								
Child Nutrition Cluster								
Non-Cash Assistance								
Entitlement Commodities	10.555	N/A	\$ 139,152	\$ -	\$ -	\$ 139,152	\$ 139,152	\$ -
Bonus Commodities	10.555	N/A	<u>1,665</u>	<u>-</u>	<u>-</u>	<u>1,665</u>	<u>1,665</u>	<u>-</u>
Total Non-Cash Assistance			<u>140,817</u>	<u>-</u>	<u>-</u>	<u>140,817</u>	<u>140,817</u>	<u>-</u>
Cash Assistance								
National School Breakfast Program	10.553	221970	21,674	113	113	21,561	21,674	-
National School Breakfast Program	10.553	221971	655,547	37,811	655,547	-	37,811	-
National School Breakfast Program	10.553	231970	<u>188,530</u>	<u>-</u>	<u>-</u>	<u>188,530</u>	<u>179,669</u>	<u>8,861</u>
Total National School Breakfast Program			<u>865,751</u>	<u>37,924</u>	<u>655,660</u>	<u>210,091</u>	<u>239,154</u>	<u>8,861</u>
National School Lunch Program	10.555	221961	1,753,234	92,610	1,753,234	-	92,610	-
National School Lunch Program	10.555	220910	248,163	-	122,955	125,208	125,208	-
National School Lunch Program	10.555	221960	112,421	423	423	111,998	112,421	-
National School Lunch Program	10.555	230910	63,269	-	-	63,269	63,269	-
National School Lunch Program	10.555	231960	<u>724,932</u>	<u>-</u>	<u>-</u>	<u>724,932</u>	<u>695,755</u>	<u>29,177</u>
Total National School Lunch Program			<u>2,902,019</u>	<u>93,033</u>	<u>1,876,612</u>	<u>1,025,407</u>	<u>1,089,263</u>	<u>29,177</u>
Summer Food Service Program for Children	10.559	220900	<u>72,220</u>	<u>11,666</u>	<u>11,666</u>	<u>60,554</u>	<u>61,010</u>	<u>11,210</u>
Total Cash Assistance			<u>3,839,990</u>	<u>142,623</u>	<u>2,543,938</u>	<u>1,296,052</u>	<u>1,389,427</u>	<u>49,248</u>
Total Child Nutrition Cluster			3,980,807	142,623	2,543,938	1,436,869	1,530,244	49,248
Passed through Michigan Department of Education								
COVID-19 Pandemic EBT Local Costs								
COVID-19 Pandemic EBT Local Costs	10.649	220980	<u>3,135</u>	<u>-</u>	<u>-</u>	<u>3,135</u>	<u>3,135</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>3,983,942</u>	<u>142,623</u>	<u>2,543,938</u>	<u>1,440,004</u>	<u>1,533,379</u>	<u>49,248</u>
U.S. Department of Treasury								
Passed through Oakland County								
COVID-19 ARP Oakland County Mental Health Grant								
COVID-19 ARP Oakland County Mental Health Grant	21.027	N/A	<u>175,000</u>	<u>-</u>	<u>-</u>	<u>164,892</u>	<u>175,000</u>	<u>(10,108)</u>
Total U.S. Department of Treasury			<u>175,000</u>	<u>-</u>	<u>-</u>	<u>164,892</u>	<u>175,000</u>	<u>(10,108)</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Oxford Community Schools
Schedule of Expenditures of Federal Awards
June 30, 2023

Federal Grantor Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Grant/ Project Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2023
U.S. Department of Education								
Passed through Oakland County Intermediate School District								
Special Education Cluster								
IDEA Flowthrough	84.027	210450	\$ 1,121,752	\$ 890	\$ 890	\$ -	\$ 890	\$ -
IDEA Flowthrough	84.027	220450	1,186,791	434,661	1,185,232	1,559	434,661	1,559
IDEA Flowthrough	84.027	230450	1,333,872	-	-	1,333,872	796,996	536,876
COVID-19 ARP - IDEA Flowthrough	84.027X	221280	272,790	272,790	272,790	-	272,790	-
Total IDEA Flowthrough			3,915,205	708,341	1,458,912	1,335,431	1,505,337	538,435
IDEA Preschool Incentive	84.173	220460	22,154	7,379	22,154	-	7,379	-
IDEA Preschool Incentive	84.173	230460	30,222	-	-	30,222	19,536	10,686
COVID-19 ARP - IDEA Preschool Incentive	84.173X	221285	13,064	13,064	13,064	-	13,064	-
Total IDEA Preschool Incentive			65,440	20,443	35,218	30,222	39,979	10,686
Total Special Education Cluster			3,980,645	728,784	1,494,130	1,365,653	1,545,316	549,121
Passed through Oakland County Intermediate School District								
Title IA - Technical Assistance Grant	84.010	221285	20,000	-	-	19,105	19,105	-
Passed through Michigan Department of Education								
Title IA - Grants to Local Educational Agencies	84.010	221530	311,483	31,419	215,944	12,338	43,757	-
Title IA - Grants to Local Educational Agencies	84.010	231530	341,345	-	-	228,334	244,108	(15,774)
Total Title IA - 84.010			672,828	31,419	215,944	259,777	306,970	(15,774)
Passed through Michigan Department of Education								
Title ID - Program for Neglected and Delinquent Children and Youth	84.013	231700	158,143	-	-	131,556	128,201	3,355
Total Title I			830,971	31,419	215,944	391,333	435,171	(12,419)
Direct award through U.S. Department of Education								
School Emergency Response to Violence (Project SERV)	84.184S	S184S220010	707,600	-	-	707,600	707,600	-
Passed through Michigan Department of Education								
Title IIIA - English Language Acquisition State Grants	84.365	220570	2,010	2,010	2,010	-	2,010	-
Passed through Holly Schools								
Title IIIA - English Language Acquisition State Grants	84.365	220570	15,007	15,007	15,007	-	15,007	-
Title IIIA - English Language Acquisition State Grants	84.365	230570	23,623	-	-	23,623	23,623	-
Total Title IIIA - English Language Acquisition State Grants			40,640	17,017	17,017	23,623	40,640	-

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Oxford Community Schools
Schedule of Expenditures of Federal Awards
June 30, 2023

Federal Grantor Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Grant/ Project Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2023
U.S. Department of Education (Cont.)								
Passed through Michigan Department of Education								
Title IIA - Supporting Effective Instruction State Grant	84.367	220520	\$ 88,044	\$ 14,287	\$ 88,044	\$ -	\$ 14,287	\$ -
Title IIA - Supporting Effective Instruction State Grant	84.367	230520	<u>70,424</u>	<u>-</u>	<u>-</u>	<u>70,424</u>	<u>51,170</u>	<u>19,254</u>
Total Title IIA - Supporting Effective Instruction State Grant			<u>158,468</u>	<u>14,287</u>	<u>88,044</u>	<u>70,424</u>	<u>65,457</u>	<u>19,254</u>
Passed through Michigan Department of Education								
Title IVA - Student Support and Academic Enrichment Program	84.424	220750	17,600	2,969	17,600	-	2,969	-
Title IVA - Student Support and Academic Enrichment Program	84.424	230750	<u>16,440</u>	<u>-</u>	<u>-</u>	<u>16,440</u>	<u>10,870</u>	<u>5,570</u>
Total Title IVA - Student Support and Academic Enrichment Program			<u>34,040</u>	<u>2,969</u>	<u>17,600</u>	<u>16,440</u>	<u>13,839</u>	<u>5,570</u>
Passed through Michigan Department of Education								
Education Stabilization Fund								
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) - Formula II								
COVID-19 ESSER II - Summer Programming	84.425D	213722	834,420	69,782	416,416	418,004	384,008	103,778
COVID-19 ESSER II - Credit Recovery	84.425D	213742	110,550	20,494	110,550	-	20,494	-
COVID-19 ESSER II - Before & After School Program	84.425D	213752	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Total Education Stabilization Fund - 84.425D			<u>1,192,720</u>	<u>153,676</u>	<u>691,057</u>	<u>501,663</u>	<u>551,561</u>	<u>103,778</u>
COVID-19 ESSER III - Formula III	84.425U	213713	1,875,322	32,249	1,322,569	123,456	114,962	40,743
COVID-19 ESSER III - Formula III - Section 11t	84.425U	213723	<u>5,631,216</u>	<u>609,693</u>	<u>609,693</u>	<u>2,393,366</u>	<u>2,182,175</u>	<u>820,884</u>
Total Education Stabilization Fund - 84.425U			<u>7,506,538</u>	<u>641,942</u>	<u>1,932,262</u>	<u>2,516,822</u>	<u>2,297,137</u>	<u>861,627</u>
Total Education Stabilization Fund			<u>8,699,258</u>	<u>795,618</u>	<u>2,623,319</u>	<u>3,018,485</u>	<u>2,848,698</u>	<u>965,405</u>
Total U.S. Department of Education			<u>14,451,622</u>	<u>1,590,094</u>	<u>4,456,054</u>	<u>5,593,558</u>	<u>5,656,721</u>	<u>1,526,931</u>
U.S. Department of Health and Human Services								
Passed through Oakland County Intermediate School District								
Medicaid Cluster								
Medical Assistance Program (Medicaid Outreach)	93.778	N/A	<u>24,790</u>	<u>-</u>	<u>-</u>	<u>24,790</u>	<u>24,790</u>	<u>-</u>
U.S. Department of Health and Human Services			<u>24,790</u>	<u>-</u>	<u>-</u>	<u>24,790</u>	<u>24,790</u>	<u>-</u>
Total Federal Awards			<u>\$ 18,635,354</u>	<u>\$ 1,732,717</u>	<u>\$ 6,999,992</u>	<u>\$ 7,223,244</u>	<u>\$ 7,389,890</u>	<u>\$ 1,566,071</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, 2023

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, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of 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	\$ 7,223,244
Add - Federal Child Care Relief Funds not reported on SEFA	1,052,328
Add - Federal interest revenue	820,410
Federal revenue reported on the financial statements	<u>\$ 9,095,982</u>

Note 4 - Subrecipients

No amounts were provided to subrecipients.

Oxford Community Schools
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2023

Note 5 – Michigan Department of Education Disclosures

Management has reported the expenditures in the SEFA equal to those amounts reported in the annual or final cost reports that have been submitted for that particular grant year.

The federal amounts reported on the CMS Grant Auditor Report (GAR) Subrecipient Schedule and the Oakland Intermediate School District Grant Report are in agreement with the SEFA, except for the following differences which were due to timing of payments received by the School District:

Federal Grantor Program Title	Assistance Listing Number	Grant Number	Cash Receipts per SEFA	Cash Receipts per Grant Auditor Report	Variance
National School Breakfast Program	10.553	221971	\$ 37,811	-	\$37,811
National School Lunch Program	10.555	221961	92,610	-	92,610

The amounts reported on the Recipient Entitlement Report (PAL Report) agree with the SEFA for USDA donated food commodities.

Oxford Community Schools
Schedule of Findings and Questioned Costs
June 30, 2023

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>Assistance Listing Number(s)</i> 84.425D/84.425U	<i>Name of Federal Program or Cluster</i> Education Stabilization Fund
--	---

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

Auditee qualified as low-risk auditee? X yes _____ no

Oxford Community Schools
Schedule of Findings and Questioned Costs
June 30, 2023

Section II – *Government Auditing Standards* Findings

There were no *Government Auditing Standards* findings for the year ended June 30, 2023.

Section III – Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2023.

Oxford Community Schools
Summary Schedule of Prior Audit Findings
June 30, 2023

Section IV – Prior Audit Findings

Government Auditing Standards Findings

There were no *Government Auditing Standards* findings for the year ended June 30, 2022.

Federal Award Findings

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



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October 12, 2023

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, 2023. 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, *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 25, 2023. 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 Statement effective July 1, 2022:

- 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.

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

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

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

Accounting Standards and Regulatory Updates

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

Implementation Guide No 2021-1, *Implementation Guidance Update-2021* has an amended response related to the capitalization of assets purchased as a group. Under the amended guidance, governments *should* capitalize individual items when the purchase in the aggregate is considered significant, even if the individual items are less than the capitalization threshold of the government. The effective date for implementation is for reporting periods beginning after June 15, 2023 (effectively, for the first year ended June 30, 2024 or later) and requires retroactive implementation.

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. Management has corrected all such misstatements except as discussed below.

Management has determined that the effects of the uncorrected misstatements summarized below are immaterial both individually and, in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Fund	Description	Debit	Credit
General Fund	Expenses - leases	\$ 185,580	\$ -
General Fund	Revenues - leases	-	185,580
District Wide	Asset - leases	372,172	-
District Wide	Liability - leases	-	372,172

Management has determined to exclude disclosures related to GASB 96 which are typically required by accounting principles generally accepted in the United States of America as it was determined to be immaterial to the financial statements taken as a whole.

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.

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

Appendix II

Matters for Management’s Consideration

In planning and performing our audit of the financial statements of Oxford Community Schools as of and for the year ended June 30, 2023, 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 matters for management’s consideration that are opportunities for strengthening internal controls, and maintaining compliance. This letter does not affect our report dated October 12, 2023, on the financial statements of Oxford Community Schools.

Net Cash Resources

As a result of the COVID-19 pandemic and flexibilities awarded related to eligibility and food distribution, meal claim revenues over the past few years have been in excess of anticipated amounts. A proportional increase to expenditures has not occurred, resulting in the continuation of net cash resources exceeding the three-month average expenditure requirement included in the federal regulations. The noncompliance has not been determined to be material to the federal program or the financial statements, as it has not resulted in questioned costs, or negatively impacted the program; as the District is actively working on using the funds to enhance the program. However, the School District must continue to take action to return to compliance. They may reduce lunch prices in a manner that is consistent with the paid lunch equity provisions, improve food quality, or take other action designed to improve the program. We recommend that the School District looks at possible enhancements to the program in order to develop a spend down plan to return to compliance with this requirement.

Bank Reconciliations

During our review of the School 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.

Monitoring of Budgets

During our review of the School District’s budgets, we noted that improvements and changes to the budgeting process and utilizing the accounting system has improved over the prior year. However, we identified budget variances in various functions. Furthermore, total expenditures were under the board approved budget and the District ended the year with an increase in fund balance. Additionally, the District is working on multi-year budget projections to aid in long-term planning. Continued improvements to the budgeting process 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.