

Oxford Community Schools

Financial Statements

June 30, 2024



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

Section	Page
5 Required Supplementary Information	
Budgetary Comparison Schedule - General Fund	5 - 1
Schedule of the School District's Proportionate Share of the Net Pension Liability	5 - 3
Schedule of the School District's Pension Contributions	5 - 4
Schedule of the School District's Proportionate Share of the Net OPEB Liability	5 - 5
Schedule of the School District's OPEB Contributions	5 - 6
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, Expenditure 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, 2024

Members of the Board of Education

Dr. Erin Reis – President

Amanda McDonough – Vice President

James Sommers – Secretary

Mike Whitney – Treasurer

Ann Acheson – Trustee

Michael Aldred – Trustee

Colleen Schultz – Trustee

Administration

Dr. Tonya Milligan – Superintendent

John Fitzgerald – 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, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Oxford Community Schools' 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 Oxford Community Schools, as of June 30, 2024, 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 Oxford Community Schools, 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 Oxford Community Schools' 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 Oxford Community Schools' 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 Oxford Community Schools' 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 (asset), 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oxford Community Schools' 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, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2024, on our consideration of Oxford Community Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Oxford Community Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oxford Community Schools' internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Auburn Hills, Michigan
October 18, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Oxford Community Schools Management's Discussion and Analysis June 30, 2024

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 2024 annual financial report presents our discussion and analysis of the Oxford Community School's financial performance during the fiscal year ended June 30, 2024. 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 is large enough to be considered a major fund 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
 - Schedule of Bonded Indebtedness
- Continuing Disclosures Report

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2024

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, 2024

The School District as a Whole

Summary of the Statement of Net Position (in Millions)

	202 Governmental Activities	2023 Governmental Activities
<u>Assets</u>		
Current assets	\$ 55.56	\$ 56.56
Net OPEB asset	2.48	-
Capital assets, net book value	132.77	129.72
Total assets	<u>190.81</u>	<u>186.28</u>
<u>Deferred outflows of resources</u>		
Deferred amount on net pension liability	49.06	53.54
Deferred amount on net OPEB liability	12.21	14.69
Deferred amount on debt refunding	1.44	1.57
Total deferred outflows of resources	<u>62.71</u>	<u>69.80</u>
<u>Liabilities</u>		
Current liabilities	28.01	19.08
Noncurrent liabilities	266.29	307.18
Total liabilities	<u>294.30</u>	<u>326.26</u>
<u>Deferred inflows of resources</u>		
Deferred amount on net pension liability	22.65	7.39
Deferred amount on net OPEB liability	19.90	18.07
Total deferred inflows of resources	<u>336.85</u>	<u>351.72</u>
<u>Net Position</u>		
Invested in capital assets	13.85	5.21
Restricted	17.45	12.77
Unrestricted (deficit)	(114.63)	(113.63)
Total net position	<u>\$ (83.33)</u>	<u>\$ (95.65)</u>

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2024

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 \$83.33 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 13.85 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 \$17.45 million is reported separately to show legal constraints from debt covenants and funds restricted to cafeteria operations, debt service, and the net OPEB asset, 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 \$114.63 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, 2024

Summary of Net Activities (in Millions)		
	2024	2023
	Governmental Activities	Governmental Activities
<u>Revenues</u>		
Program revenues		
Charges for services	\$ 4.64	\$ 5.44
Operating grants and contributions	40.08	42.68
General revenues		
Property taxes	17.44	17.22
State aid	64.32	57.73
Investment earnings	0.63	0.29
Insurance recoveries	-	0.01
Other	0.17	0.20
Total revenues	127.28	123.57
<u>Expenses</u>		
Instruction	\$ 59.51	\$ 61.96
Support services	45.49	44.62
Food services	3.43	3.34
Community service	2.33	3.08
Interest on long-term debt	4.20	4.26
Total expenses	114.96	117.26
Change in net position	\$ 12.32	\$ 6.31

As reported in the statement of activities, the cost of all our governmental activities this year was \$114.96 million. Certain activities were partially funded by those who benefited from the programs, \$6.64 million, or by other governments and organizations that subsidized certain programs with grants and contributions, \$40.08 million. The remaining “public benefit” portion of our governmental activities was funded with \$17.44 million in taxes; \$64.32 million in State aid; and our other revenues, i.e., insurance recoveries, interest income, and general entitlements.

During fiscal year 2024, the School District experienced an increase in net assets of \$12.32 million.

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

Oxford Community Schools Management's Discussion and Analysis June 30, 2024

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 2024, the governmental funds reported a combined fund balance of approximately \$36.15 million, a decrease of \$2.03 million from fiscal year 2023.

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 \$4.99 million. The most significant increases were due to the budgeting of higher state aid payments directly related to increases in student count/FTE, state categorical funding and the recognition of pass through covid era grants.

Budgeted expenditures were increased from the original adopted budget by \$3.68 million. This increase was primarily due to expected salary, benefit, and other operating costs we experienced throughout the school year. These costs included, but were not limited to, increased grant funded and Added Needs related costs.

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 61 percent of total General Fund revenue is from the State portion of the foundation allowance. The final amended budget adopted for FY24 assumed a \$9,608 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 and a small decrease in our seated student FTE.

2023-24 School Year

During the 2023-24 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.

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2024

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 2024-25 the district expects to fully recognize the remaining revenue provided by this violence response funding.

The Capital Project Fund, which is annually funded by the General Fund, is used for the completion of capital projects throughout the district. The district's General Fund contributed \$500,000 during 2023-24 into the capital project fund. The ending fund balance for FY24 for the Capital Project Fund is \$1.69 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, 2024

	<u>Governmental Activities</u>
Assets	
Cash	\$ 17,937,756
Accounts receivable	1,191
Due from other governmental units	24,060,115
Inventory	77,951
Investments	12,667,927
Prepaid items	810,722
Capital assets not being depreciated	7,512,719
Capital assets - net of accumulated depreciation	125,258,898
Net OPEB asset	<u>2,483,974</u>
 Total assets	 <u>190,811,253</u>
 Deferred Outflows of Resources	
Deferred amount on debt refunding	1,436,500
Deferred amount relating to the net pension liability	49,057,205
Deferred amount relating to the net OPEB asset	<u>12,212,914</u>
 Total deferred outflows of resources	 <u>62,706,619</u>

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Statement of Net Position
June 30, 2024

	Governmental Activities
Liabilities	
Accounts payable	1,742,866
Due to other governmental units	6,594,535
Payroll deductions and withholdings	3,176,535
Accrued expenditures	662,471
Accrued salaries payable	5,690,489
Unearned revenue	2,198,579
Long-term liabilities	
Net pension liability	137,484,868
Due within one year	7,943,015
Due in more than one year	<u>128,803,051</u>
Total liabilities	<u>294,296,409</u>
Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	22,654,411
Deferred amount relating to the net OPEB asset	<u>19,900,634</u>
Total deferred inflows of resources	<u>42,555,045</u>
Net Position	
Net investment in capital assets	13,847,714
Restricted for:	
Food service	1,356,722
Debt service	13,608,943
Net OPEB asset	2,483,974
Unrestricted	<u>(114,630,935)</u>
Total net position	<u>\$ (83,333,582)</u>

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Statement of Activities
For the Year Ended June 30, 2024

	Program Revenues			Net (Expense)
Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position	
Functions/Programs				
Governmental activities				
Instruction	\$ 59,508,259	\$ 937,911	\$ 24,563,331	\$ (34,007,017)
Supporting services	45,489,895	1,669,719	10,835,285	(32,984,891)
Food services	3,433,885	482,965	3,203,353	252,433
Community services	2,332,726	1,549,707	654,307	(128,712)
Interest and fiscal charges on long-term debt	4,200,428	-	828,293	(3,372,135)
Total governmental activities	\$ 114,965,193	\$ 4,640,302	\$ 40,084,569	(70,240,322)
General revenues				
Property taxes, levied for general purposes				5,602,965
Property taxes, levied for debt service				11,833,767
State aid - unrestricted				64,324,165
Interest and investment earnings				625,732
Gain on sale of capital assets				16,515
Other				156,343
Total general revenues				82,559,487
Change in net position				12,319,165
Net position - beginning				(95,652,747)
Net position - ending				\$ (83,333,582)

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	2010B QSCB Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 11,278,916	\$ 3,850	\$ 6,654,990	\$ 17,937,756
Accounts receivable	-	-	1,191	1,191
Due from other funds	2,110,166	615,747	1,928,693	4,654,606
Due from other governmental units	23,540,513	-	519,602	24,060,115
Inventory	-	-	77,951	77,951
Investments	-	12,667,927	-	12,667,927
Prepaid items	<u>810,722</u>	<u>-</u>	<u>-</u>	<u>810,722</u>
Total assets	<u>\$ 37,740,317</u>	<u>\$ 13,287,524</u>	<u>\$ 9,182,427</u>	<u>\$ 60,210,268</u>
Liabilities				
Accounts payable	\$ 628,756	\$ -	\$ 1,114,110	\$ 1,742,866
Due to other funds	2,544,440	-	2,110,166	4,654,606
Due to other governmental units	6,594,535	-	-	6,594,535
Payroll deductions and withholdings	3,176,535	-	-	3,176,535
Accrued salaries payable	5,565,508	-	124,981	5,690,489
Unearned revenue	<u>2,037,005</u>	<u>-</u>	<u>161,574</u>	<u>2,198,579</u>
Total liabilities	<u>20,546,779</u>	<u>-</u>	<u>3,510,831</u>	<u>24,057,610</u>

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	2010B QSCB Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances				
Non-spendable				
Inventory	-	-	77,951	77,951
Prepaid items	810,722	-	-	810,722
Restricted for				
Food service	-	-	1,278,771	1,278,771
Debt service	-	13,287,524	983,890	14,271,414
Capital projects	-	-	5,000	5,000
Committed for				
Student/school activities	-	-	1,157,659	1,157,659
Capital projects	-	-	1,694,580	1,694,580
Community services	-	-	473,745	473,745
Assigned				
Long-term obligations	11,457,799	-	-	11,457,799
Funded education	10,459	-	-	10,459
Education solutions	1,850,381	-	-	1,850,381
Athletics	64,177	-	-	64,177
Future health care costs	3,000,000	-	-	3,000,000
 Total fund balances	 <u>17,193,538</u>	 <u>13,287,524</u>	 <u>5,671,596</u>	 <u>36,152,658</u>
 Total liabilities and fund balances	 <u>\$ 37,740,317</u>	 <u>\$ 13,287,524</u>	 <u>\$ 9,182,427</u>	 <u>\$ 60,210,268</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, 2024

Total fund balances for governmental funds	\$ 36,152,658
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	7,512,719
Capital assets - net of accumulated depreciation	125,258,898
Net OPEB asset is not recorded as an asset in the governmental funds	2,483,974
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	1,436,500
Deferred outflows of resources resulting from the net pension liability	49,057,205
Deferred outflows of resources resulting from the net OPEB asset	12,212,914
Deferred inflows of resources resulting from the net pension liability	(22,654,411)
Deferred inflows of resources resulting from the net OPEB asset	(19,900,634)
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(662,471)
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	(137,484,868)
Compensated absences	(2,954,357)
Bonds payable	(124,180,878)
School bond loan payable	(9,468,371)
Other loans payable and liabilities	<u>(142,460)</u>
Net position of governmental activities	<u>\$ (83,333,582)</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, 2024

	General Fund	2010B QSCB Debt Service Fund	Formerly Major fund <u>Capital Projects Fund</u>	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources	\$ 6,227,591	\$ 1,893,791		\$ 13,670,701	\$ 21,792,083
State sources	88,925,367	46,151		2,677,191	91,648,709
Federal sources	5,712,907	828,293		1,476,228	8,017,428
Interdistrict sources	<u>5,809,623</u>	<u>-</u>		<u>-</u>	<u>5,809,623</u>
Total revenues	<u>106,675,488</u>	<u>2,768,235</u>		<u>17,824,120</u>	<u>127,267,843</u>
Expenditures					
Current					
Education					
Instruction	60,906,218	-		-	60,906,218
Supporting services	45,163,356	-		1,387,952	46,551,308
Food services	-	-		3,511,550	3,511,550
Community services	121,705	-		2,262,798	2,384,503
Capital outlay	-	-		5,331,205	5,331,205
Debt service					
Principal	159,350	-		6,750,000	6,909,350
Interest and other expenditures	<u>5,492</u>	<u>994,286</u>		<u>3,300,515</u>	<u>4,300,293</u>
Total expenditures	<u>106,356,121</u>	<u>994,286</u>		<u>22,544,020</u>	<u>129,894,427</u>
Excess (deficiency) of revenues over expenditures	<u>319,367</u>	<u>1,773,949</u>		<u>(4,719,900)</u>	<u>(2,626,584)</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, 2024

	General Fund	2010B QSCB Debt Service Fund	Formerly Major fund Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)					
Proceeds from school bond loan fund	-	-		484,321	484,321
Proceeds from issuance of leases	94,228	-		-	94,228
Proceeds from sale of capital assets	16,515	-		-	16,515
Transfers in	402,116	-		500,000	902,116
Transfers out	<u>(500,000)</u>	<u>-</u>		<u>(402,116)</u>	<u>(902,116)</u>
 Total other financing sources (uses)	 <u>12,859</u>	 <u>-</u>		 <u>582,205</u>	 <u>595,064</u>
 Net change in fund balances	 <u>332,226</u>	 <u>1,773,949</u>		 <u>(4,137,695)</u>	 <u>(2,031,520)</u>
 Fund balances - beginning, as previously presented	 16,861,312	 11,513,575	 5,967,289	 3,842,002	 38,184,178
Change within financial reporting entity (major to nonmajor fund)	<u>-</u>	<u>-</u>	<u>(5,967,289)</u>	<u>5,967,289</u>	<u>-</u>
 Fund balances - beginning, as adjusted	 <u>16,861,312</u>	 <u>11,513,575</u>		 <u>9,809,291</u>	 <u>38,184,178</u>
 Fund balances - ending	 <u>\$ 17,193,538</u>	 <u>\$ 13,287,524</u>		 <u>\$ 5,671,596</u>	 <u>\$ 36,152,658</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, 2024

Net change in fund balances - Total governmental funds	\$ (2,031,520)
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation and amortization expense	(6,851,170)
Capital outlay	9,900,434
Expenses are recorded when incurred in the statement of activities.	
Interest	(339,154)
Compensated absences	(337,211)
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	18,153,160
Net change in deferrals of resources related to the net pension liability	(19,737,680)
The statement of net position reports the net OPEB asset and deferred outflows of resources and deferred inflows related to the net OPEB asset and OPEB changes. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in net OPEB asset	11,099,527
Net change in deferrals of resources related to the net OPEB asset	(4,307,041)
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 recorded as liabilities 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 repayments, 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	(578,549)
Repayments of long-term debt	6,909,350
Amortization of premiums	571,808
Amortization of deferred amount on debt refunding	(130,300)
Amortization of bond discount	<u>(2,489)</u>
Change in net position of governmental activities	<u>\$ 12,319,165</u>

See Accompanying Notes to the Financial Statements

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Oxford Community Schools (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 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.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

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.

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 Community Service, Cafeteria, and Student/School Activities 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.

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.

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, 2024, the rates are as follows per \$1,000 of assessed value.

General Fund	
Non-principal residence exemption	17.4324
Commercial personal property	5.4324
Debt Service Funds	7.9000

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.

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.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

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 additions	5 - 50 years
Equipment and furniture	5 - 20 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 (assets) 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 position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Deferred Inflows of Resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

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 (assets) are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Balance - In the fund financial statements, governmental funds report fund balances in the following categories:

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

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

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

Assigned - amounts intended to be used for specific purposes, as determined by the Board of Education. Residual amounts in

governmental funds other than the General Fund are automatically assigned by their nature.

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

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

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

The School District has adopted a minimum fund balance policy which requires the General Fund to maintain a minimum fund balance ranging from 10% to 20% of the prior year's actual expenditures and other financing uses. As of June 30, 2024, the general fund balance represented approximately 16% 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.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

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. 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.

Upcoming Accounting and Reporting Changes

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.

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization’s vulnerabilities due to certain concentrations or constraints. This statement is effective for the year ending June 30, 2025.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization’s accountability while also addressing certain application issues. This statement includes changes

to management’s discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending June 30, 2026.

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 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.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

Excess of Expenditures over Appropriations

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

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Added needs	\$ 10,069,611	\$ 10,158,212	\$ 88,601
Pupil	8,901,406	9,095,585	194,179
Instructional staff	4,872,226	4,965,441	93,215
School administration	5,735,991	5,822,707	86,716
Business	1,061,302	1,106,696	45,394
Pupil transportation services	3,334,665	3,464,960	130,295
Central	4,513,127	4,613,036	99,909
Other	254,450	288,460	34,010
Debt service	-	164,842	164,842

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 and investments were reported in the basic financial statements in the following categories:

	Governmental Activities
Cash	\$ 17,937,756
Investments	<u>12,667,927</u>
	<u>\$ 30,605,683</u>
The breakdown between deposits and investments for the School District is as follows:	
Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 17,937,756
Investments in securities, mutual funds, and similar vehicles	<u>12,667,927</u>
Total	<u>\$ 30,605,683</u>

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

Investment	Carrying Value	Maturities	Rating	Organization
U.S. Treasury Note	<u>\$12,667,927</u>	< 1 year	AA+	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, 2024

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, \$18,308,491 of the School District’s bank balance of \$18,558,491 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, 2024:

- U.S. Treasury securities of \$12,667,927 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	4,530,650	306,011	4,601,415
Total capital assets not being depreciated	<u>3,288,080</u>	<u>4,530,650</u>	<u>306,011</u>	<u>7,512,719</u>
Capital assets being depreciated				
Buildings and additions	193,323,820	909,601	-	194,233,421
Equipment and furniture	18,332,577	4,509,959	-	22,842,536
Buses and other vehicles	4,504,638	162,007	-	4,666,645
Right to use asset - buildings and additions	293,827	-	-	293,827
Right to use asset - equipment and furniture	198,241	94,228	49,270	243,199
Total capital assets being depreciated	<u>216,653,103</u>	<u>5,675,795</u>	<u>49,270</u>	<u>222,279,628</u>
Less accumulated depreciation for				
Buildings and additions	75,278,983	4,566,049	-	79,845,032
Equipment and furniture	12,372,663	1,525,016	-	13,897,679
Buses and other vehicles	2,281,758	605,960	-	2,887,718
Right to use asset - buildings and additions	191,090	95,545	-	286,635
Right to use asset - equipment and furniture	94,336	58,600	49,270	103,666
Total accumulated depreciation	<u>90,218,830</u>	<u>6,851,170</u>	<u>49,270</u>	<u>97,020,730</u>
Net capital assets being depreciated	<u>126,434,273</u>	<u>(1,175,375)</u>	<u>-</u>	<u>125,258,898</u>
Net capital assets	<u>\$ 129,722,353</u>	<u>\$ 3,355,275</u>	<u>\$ 306,011</u>	<u>\$ 132,771,617</u>

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

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	\$ 3,699,632
Supporting services	2,808,980
Food services	205,535
Community services	<u>137,023</u>
 Total governmental activities	 <u>\$ 6,851,170</u>

Construction Contracts

At year end, the School District had several uncompleted construction contracts in the capital projects fund. The remaining commitment on these construction contracts was approximately \$670,000.

Note 6 - Interfund Receivables, Payables, and Transfers

Individual interfund receivable and payable balances at year end were:

Payable Fund	Receivable Fund	Amount
Nonmajor Governmental Funds	General Fund	\$ 2,110,166
General Fund	2010B QSCB Debt Service	615,747
General Fund	Nonmajor Governmental Funds	<u>1,928,693</u>
		<u>\$ 4,654,606</u>

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

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

Interfund transfers consist of the following:

	Transfers Out		
	General Fund	Nonmajor Governmental Funds	Total
<u>Transfers in</u>			
General Fund	\$ -	\$ 402,116	\$ 402,116
Capital Projects Fund	<u>500,000</u>	<u>-</u>	<u>500,000</u>
	<u>\$ 500,000</u>	<u>\$ 402,116</u>	<u>\$ 902,116</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:

Grant and categorical aid payments received prior to meeting all eligibility requirements	\$ 2,087,265
Student meals	34,198
Child care	<u>77,116</u>
 Total	 <u>\$ 2,198,579</u>

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

Note 8 - Leases

Between the 2018 and the 2024 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, 2024, the total value of the lease liabilities was \$142,460. The School District is required to make annual principal and interest payments on the office space and office equipment for the amount of \$857 to \$100,980. These leases have interest rates ranging from 2.00% to 4.66%. The value of the right-to-use assets as of the end of the current fiscal year was \$146,725 and had accumulated amortization of \$390,301.

Annual requirements to amortize lease liabilities and related interest are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 48,015	\$ 4,369
2026	36,134	2,994
2027	32,111	1,765
2028	19,453	706
2029	<u>6,747</u>	<u>68</u>
Total	<u>\$ 142,460</u>	<u>\$ 9,902</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:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Bonds and notes payable					
General obligation bonds	\$ 128,470,000	\$ -	\$ 6,750,000	\$ 121,720,000	\$ 7,420,000
Premium on bonds	3,064,700	-	571,808	2,492,892	-
Discount on bonds	<u>(34,503)</u>	<u>-</u>	<u>(2,489)</u>	<u>(32,014)</u>	<u>-</u>
Total bonds payable	<u>131,500,197</u>	<u>-</u>	<u>7,319,319</u>	<u>124,180,878</u>	<u>7,420,000</u>
Notes from direct borrowings and direct placements					
School Bond Loan	8,306,928	484,321	-	8,791,249	-
Accrued interest- SBLF	<u>293,570</u>	<u>383,552</u>	<u>-</u>	<u>677,122</u>	<u>-</u>
Total notes from direct borrowings and direct placements	<u>8,600,498</u>	<u>867,873</u>	<u>-</u>	<u>9,468,371</u>	<u>-</u>
Other liabilities					
Leases	207,582	94,228	159,350	142,460	48,015
Compensated absences	<u>2,617,146</u>	<u>643,305</u>	<u>306,094</u>	<u>2,954,357</u>	<u>475,000</u>
Total other liabilities	<u>2,824,728</u>	<u>737,533</u>	<u>465,444</u>	<u>3,096,817</u>	<u>523,015</u>
Total	<u>\$ 142,925,423</u>	<u>\$ 1,605,406</u>	<u>\$ 7,784,763</u>	<u>\$ 136,746,066</u>	<u>\$ 7,943,015</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, 2024

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%	\$ 27,445,000
\$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 2018 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 \$420,000 to \$2,835,000 through 2032, interest at 1.65% to 2.00%	7,130,000
\$24,580,000 2015 refunding bonds due in one installment of \$2,160,000 in 2025, interest at 5.00%	2,160,000
\$38,550,000 2019 refunding bonds series I due in annual installments of \$1,170,000 to \$6,540,000 through 2034, interest at 2.06% to 2.69%	35,915,000
\$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 \$500,000 to \$2,800,000 through 2031, interest at 2.00%	6,810,000
\$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>\$ 121,720,000</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 and direct borrowings and direct placements are as follows:

Year Ending June 30,	Bonds	
	Principal	Interest
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	9,800,000	1,935,751
2030-2034	44,070,000	5,495,497
2035-2039	10,190,000	2,289,771
2040-2044	8,060,000	949,725
2045-2048	<u>2,140,000</u>	<u>166,380</u>
Total	<u>\$ 121,720,000</u>	<u>\$ 24,325,871</u>

The general obligation bonds are payable from the Debt Service Funds. As of yearend, the Debt Service Funds had a collective balance of \$14,271,414. 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 \$5,492 and \$4,284,438, 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 District has agreed to repay the loan amount with interest at rates and at times to be determined by the State Treasurer.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

Compensated Absences

Accrued compensated absences at year end, consists of \$2,954,357 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, 2024, the value of this deferred amount was \$1,436,500. 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 Issue refunded	\$ 4,880,000
2001 Issue refunded	<u>17,150,000</u>
 Total	 <u>\$22,030,000</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 MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

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, 2022, valuation will be amortized over a 16-year period beginning October 1, 2022, and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2023.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	20.16%
Member Investment Plan	3.0 - 7.0%	20.16%
Pension Plus	3.0 - 6.4%	17.24%
Pension Plus 2	6.2%	19.95%
Defined Contribution	0.0%	13.75%

Required contributions to the pension plan from the School District were \$15,309,576 for the year ending September 30, 2023.

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

At June 30, 2024, the School District reported a liability of \$137,484,868 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30,

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2022. 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, 2023, the School District's proportion was .4248 percent, which was an increase of .0109 percent from its proportion measured as of September 30, 2022.

For the plan year ending September 30, 2023, the School District recognized pension expense of \$22,355,409 for the measurement period. For the reporting period ending June 30, 2024, the School District recognized total pension contribution expense of \$18,449,806.

At June 30, 2024, 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	\$ 4,339,978	\$ (210,605)	\$ 4,129,373
Changes of assumptions	18,629,825	(10,741,534)	7,888,291
Net difference between projected and actual earnings on pension plan investments	-	(2,813,385)	(2,813,385)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>8,660,405</u>	<u>(219,780)</u>	<u>8,440,625</u>
Total to be recognized in future	31,630,208	(13,985,304)	17,644,904
School District contributions subsequent to the measurement date	<u>17,426,997</u>	<u>(8,669,107)</u>	<u>8,757,890</u>
Total	<u>\$49,057,205</u>	<u>\$(22,654,411)</u>	<u>\$26,402,794</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, 2025. The District will offset the contribution expense in the year ended June 30, 2025, 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, 2024

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)	
2024	\$ 7,445,800
2025	4,781,133
2026	7,102,049
2027	(1,684,078)
	\$ 17,644,904

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, 2022
- 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
- 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: PubT-2010 Male and Female Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active: PubT-2010 Male and Female Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023, valuation. The total pension liability as of September 30, 2023, is based on the results of an actuarial valuation date of September 30, 2022, 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 4.4406 years.

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2023 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 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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

allocation as of September 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.8%
Private Equity Pools	16.0	9.6%
International Equity	15.0	6.8%
Fixed Income Pools	13.0	1.3%
Real Estate and Infrastructure Pools	10.0	6.4%
Absolute Return Pools	9.0	4.8%
Real Return/Oppportunistic Pools	10.0	7.3%
Short Term Investment Pools	2.0	0.3%
	100.0%	

*Long-term rates of return are net of administrative expenses and 2.7% inflation.

Rate of Return

For the plan year ended September 30, 2023, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 8.29%. 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%
\$ 185,741,654	\$ 137,484,868	\$ 97,309,348

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

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

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

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

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

Note 12 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

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

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

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

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

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning with fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who

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

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

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

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

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, 2022, valuation will be amortized over a 16-year period beginning October 1, 2022, and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2023.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.07%
Personal Healthcare Fund (PHF)	0.0%	7.21%

Required contributions to the OPEB plan from the School District were \$3,420,558 for the year ended September 30, 2023.

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

At June 30, 2024, the School District reported an asset of \$2,483,974 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2022. The School District's proportion of the net OPEB asset 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, 2023, the School District's proportion was .4391 percent, which was an increase of .0323 percent from its proportion measured as of September 30, 2022.

For the plan year ending September 30, 2023, the School District recognized OPEB expense of \$(3,160,388) for the measurement period. For the reporting period ending June 30, 2024, the School District recognized total OPEB contribution expense of \$3,585,564.

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$(18,770,181)	\$(18,770,181)
Changes of assumptions	5,529,759	(665,888)	4,863,871
Net difference between projected and actual earnings on OPEB plan investments	7,574	-	7,574
Changes in proportion and differences between the School District contributions and proportionate share of contributions	3,515,439	(464,565)	3,050,874
Total to be recognized in future	9,052,772	(19,900,634)	(10,847,862)
School District contributions subsequent to the measurement date	3,160,142	-	3,160,142
Total	<u>\$12,212,914</u>	<u>\$(19,900,634)</u>	<u>\$(7,687,720)</u>

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

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 an addition to the OPEB asset in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year
 (To Be Recognized in Future OPEB Expenses)

2024	\$ (3,521,947)
2025	(3,277,882)
2026	(1,071,825)
2027	(1,418,148)
2028	(1,039,364)
Thereafter	<u>(518,696)</u>
	<u>\$ (10,847,862)</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, 2022
- 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%
- Healthcare Cost Trend Rate: Pre-65: 7.50% Year 1 graded to 3.5% Year 15; Post-65: 6.25% Year 1 graded to 3.5% Year 15
- Mortality:
 - Retirees: PubT-2010 Male and Female Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active: PubT-2010 Male and Female Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

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 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023, valuation. The total OPEB liability as of September 30, 2023, is based on the results of an actuarial valuation date of September 30, 2022, 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 6.5099.

Recognition period for assets in years is 5.0000.

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

Full actuarial assumptions are available in the 2023 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, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.8%
Private Equity Pools	16.0	9.6%
International Equity	15.0	6.8%
Fixed Income Pools	13.0	1.3%
Real Estate and Infrastructure Pools	10.0	6.4%
Absolute Return Pools	9.0	4.8%
Real Return/Opportunistic Pools	10.0	7.3%
Short Term Investment Pools	2.0	0.3%
	<u>100.0%</u>	

*Long-term rates of return are net of administrative expenses and 2.7% inflation.

Rate of Return

For the plan year ended September 30, 2023, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 7.94%. 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 or Asset to Changes in the Discount Rate

The following presents the School District's proportionate share of the net OPEB liability or asset calculated using the discount rate of 6.00%, as well as what the School District's proportionate share of the net OPEB liability or asset 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%
\$ 2,575,135	\$ (2,483,974)	\$ (6,831,781)

Oxford Community Schools
Notes to the Financial Statements
June 30, 2024

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

The following presents the School District’s proportionate share of the net OPEB liability or asset calculated using assumed trend rates, as well as what the School District’s proportionate share of net OPEB liability or asset 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
\$ (6,842,622)	\$ (2,483,974)	\$ 2,233,512

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued 2023 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, 2024.

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 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 15, the District is a defendant in various lawsuits as of June 30, 2024. 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, 2024

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
Revenues				
Local sources	\$ 6,410,610	\$ 6,845,943	\$ 6,227,591	(618,352)
State sources	84,110,755	89,556,531	88,925,367	(631,164)
Federal sources	6,464,547	5,874,435	5,712,907	(161,528)
Interdistrict sources	5,556,197	5,257,120	5,809,623	552,503
Total revenues	<u>102,542,109</u>	<u>107,534,029</u>	<u>106,675,488</u>	<u>(858,541)</u>
Expenditures				
Instruction				
Basic programs	50,531,478	50,995,106	50,748,006	(247,100)
Added needs	9,184,951	10,069,611	10,158,212	88,601
Supporting services				
Pupil	8,535,126	8,901,406	9,095,585	194,179
Instructional staff	4,736,719	4,872,226	4,965,441	93,215
General administration	1,223,531	2,843,087	2,682,715	(160,372)
School administration	6,004,103	5,735,991	5,822,707	86,716
Business	1,007,753	1,061,302	1,106,696	45,394
Operations and maintenance	11,704,444	11,981,717	11,712,088	(269,629)
Pupil transportation services	3,323,475	3,334,665	3,464,960	130,295
Central	4,483,524	4,513,127	4,613,036	99,909
Athletic activities	1,323,353	1,457,402	1,411,668	(45,734)
Other	284,483	254,450	288,460	34,010
Community services	124,378	124,895	121,705	(3,190)
Debt service				
Principal	-	-	159,350	159,350
Interest and fiscal charges	-	-	5,492	5,492
Total expenditures	<u>102,467,318</u>	<u>106,144,985</u>	<u>106,356,121</u>	<u>211,136</u>
Excess (deficiency) of revenues over expenditures	<u>74,791</u>	<u>1,389,044</u>	<u>319,367</u>	<u>(1,069,677)</u>

Oxford Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Other Financing Sources (Uses)				
Proceeds from issuance of leases	-	-	94,228	94,228
Proceeds from sale of capital assets	-	16,515	16,515	-
Transfers in	530,220	-	402,116	402,116
Transfers out	(605,011)	(916,004)	(500,000)	416,004
 Total other financing sources (uses)	 (74,791)	 (899,489)	 12,859	 912,348
 Net change in fund balances	 -	 489,555	 332,226	 (157,329)
 Fund balance - beginning	 16,861,312	 16,861,312	 16,861,312	 -
 Fund balance - ending	 <u>\$ 16,861,312</u>	 <u>\$ 17,350,867</u>	 <u>\$ 17,193,538</u>	 <u>\$ (157,329)</u>

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

	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. School District's proportion of the net pension liability (%)	0.4248%	0.4138%	0.3993%	0.3667%	0.3489%	0.3420%	0.3337%	0.3187%	0.3046%	0.2838%
B. School District's proportionate share of the net pension liability	\$ 137,484,868	\$ 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. School District's covered payroll	\$ 43,810,513	\$ 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. School District's proportionate share of the net pension liability as a percentage of its covered payroll	313.82%	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	65.91%	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 2023.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2023.

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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$ 18,449,806	\$ 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>18,449,806</u>	<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)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
D. School District's covered payroll	\$ 45,776,634	\$ 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 payroll	40.30%	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 (Asset)
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. School District's proportion of the net OPEB liability (asset) (%)	0.4391%	0.4068%	0.4178%	0.3791%	0.3521%	0.3482%	0.3340%			
B. School District's proportionate share of the net OPEB liability (asset)	\$ (2,483,974)	\$ 8,615,553	\$ 6,376,799	\$ 20,309,840	\$ 25,272,534	\$ 27,675,660	\$ 29,575,736			
C. School District's covered payroll	\$ 43,810,513	\$ 39,472,616	\$ 37,786,597	\$ 33,617,535	\$ 30,789,463	\$ 29,793,043	\$ 28,365,885			
D. School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-5.67%	21.83%	16.88%	60.41%	82.08%	92.89%	104.27%			
E. Plan fiduciary net position as a percentage of total OPEB liability (asset)	105.04%	83.09%	87.33%	59.44%	36.39%	42.95%	36.39%			

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2023.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2023.

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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$ 3,585,564	\$ 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>3,585,564</u>	<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>	<u>\$ -</u>			
D. School District's covered payroll	\$ 45,776,634	\$ 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 payroll	7.83%	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, 2024**

	Special Revenue Funds			Debt Service Funds				Capital Project Funds		Total Nonmajor Governmental Funds
	Community Services Fund	Cafeteria Fund	Student/School Activities Fund	2016 Debt Service Fund	2018 Debt Service Fund	SBLF Refunding Fund	2015A Debt Service Fund	Formerly Major Fund Capital Projects Fund	Sinking Fund	
Assets										
Cash	\$ 2,404,010	\$ 530,444	\$ 1,439,045	\$ 4,138	\$ 1,034	\$ 2,587	\$ 580	\$ 2,273,143	\$ 9	\$ 6,654,990
Accounts receivable	-	1,191	-	-	-	-	-	-	-	1,191
Due from other funds	-	443,107	-	-	-	977,909	1,809	500,877	4,991	1,928,693
Due from other governmental units	119,799	399,803	-	-	-	-	-	-	-	519,602
Inventory	-	77,951	-	-	-	-	-	-	-	77,951
Total assets	\$ 2,523,809	\$ 1,452,496	\$ 1,439,045	\$ 4,138	\$ 1,034	\$ 980,496	\$ 2,389	\$ 2,774,020	\$ 5,000	\$ 9,182,427
Liabilities										
Accounts payable	\$ 66	\$ 33,069	\$ 1,535	\$ -	\$ -	\$ -	\$ -	\$ 1,079,440	\$ -	\$ 1,114,110
Due to other funds	1,826,148	-	279,851	3,133	1,034	-	-	-	-	2,110,166
Accrued salaries payable	94,826	30,155	-	-	-	-	-	-	-	124,981
Unearned revenue	129,024	32,550	-	-	-	-	-	-	-	161,574
Total liabilities	2,050,064	95,774	281,386	3,133	1,034	-	-	1,079,440	-	3,510,831
Fund Balances										
Non-spendable										
Inventory	-	77,951	-	-	-	-	-	-	-	77,951
Restricted for										
Food service	-	1,278,771	-	-	-	-	-	-	-	1,278,771
Debt service	-	-	-	1,005	-	980,496	2,389	-	-	983,890
Capital projects	-	-	-	-	-	-	-	-	5,000	5,000
Committed for										
Student/school activities	-	-	1,157,659	-	-	-	-	-	-	1,157,659
Capital projects	-	-	-	-	-	-	-	1,694,580	-	1,694,580
Community services	473,745	-	-	-	-	-	-	-	-	473,745
Total fund balances	473,745	1,356,722	1,157,659	1,005	-	980,496	2,389	1,694,580	5,000	5,671,596
Total liabilities and fund balances	\$ 2,523,809	\$ 1,452,496	\$ 1,439,045	\$ 4,138	\$ 1,034	\$ 980,496	\$ 2,389	\$ 2,774,020	\$ 5,000	\$ 9,182,427

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, 2024

	Special Revenue Funds			Debt Service Funds				Capital Project Funds		Total Nonmajor Governmental Funds
	Community Services Fund	Cafeteria Fund	Student/School Activities Fund	2016 Debt Service Fund	2018 Debt Service Fund	SBLF Refunding Fund	2015A Debt Service Fund	Formerly Major Fund Capital Projects Fund	Sinking Fund	
Revenues										
Local sources	\$ 1,454,984	\$ 483,634	\$ 1,420,676	\$ 3,378,098	\$ 798,974	\$ 4,279,781	\$ 1,850,813	\$ 3,557	\$ 184	\$ 13,670,701
State sources	750,199	1,727,125	-	123,932	-	3,859	72,076	-	-	2,677,191
Federal sources	-	1,476,228	-	-	-	-	-	-	-	1,476,228
Total revenues	2,205,183	3,686,987	1,420,676	3,502,030	798,974	4,283,640	1,922,889	3,557	184	17,824,120
Expenditures										
Current										
Education										
Supporting services	-	-	1,387,952	-	-	-	-	-	-	1,387,952
Food services	-	3,511,550	-	-	-	-	-	-	-	3,511,550
Community services	2,262,798	-	-	-	-	-	-	-	-	2,262,798
Capital outlay	-	-	-	-	-	-	-	4,776,266	554,939	5,331,205
Debt service										
Principal	-	-	-	2,435,000	-	2,135,000	2,180,000	-	-	6,750,000
Interest and other expenditures	-	-	-	1,066,025	798,974	1,218,015	217,501	-	-	3,300,515
Total expenditures	2,262,798	3,511,550	1,387,952	3,501,025	798,974	3,353,015	2,397,501	4,776,266	554,939	22,544,020
Excess (deficiency) of revenues over expenditures	(57,615)	175,437	32,724	1,005	-	930,625	(474,612)	(4,772,709)	(554,755)	(4,719,900)
Other Financing Sources (Uses)										
Proceeds from school bond loan fund	-	-	-	-	-	7,320	477,001	-	-	484,321
Transfers in	-	-	-	-	-	-	-	500,000	-	500,000
Transfers out	(225,000)	(177,116)	-	-	-	-	-	-	-	(402,116)
Total other financing sources (uses)	(225,000)	(177,116)	-	-	-	7,320	477,001	500,000	-	582,205
Net change in fund balances	(282,615)	(1,679)	32,724	1,005	-	937,945	2,389	(4,272,709)	(554,755)	(4,137,695)
Fund balances - beginning, as previously presented	756,360	1,358,401	1,124,935	-	-	42,551	-	-	559,755	3,842,002
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	-	-	-	5,967,289	-	5,967,289
Fund balances - beginning, as adjusted	756,360	1,358,401	1,124,935	-	-	42,551	-	5,967,289	559,755	9,809,291
Fund balances - ending	\$ 473,745	\$ 1,356,722	\$ 1,157,659	\$ 1,005	\$ -	\$ 980,496	\$ 2,389	\$ 1,694,580	\$ 5,000	\$ 5,671,596

Oxford Community Schools
Other Supplementary Information
General Fund
General Fund Combining Balance Sheet
June 30, 2024

	General Education	Funded Education	Education Solutions	Athletics	Health Care Reserve	Total General Fund
Assets						
Cash	\$ 6,306,726	\$ 541,194	\$ 1,277,982	\$ 153,014	\$ 3,000,000	\$ 11,278,916
Due from other funds	1,659,499	-	450,667	-	-	2,110,166
Due from other governmental units	16,933,267	2,247,203	4,360,043	-	-	23,540,513
Prepaid items	<u>772,050</u>	<u>-</u>	<u>-</u>	<u>38,672</u>	<u>-</u>	<u>810,722</u>
Total assets	<u>\$ 25,671,542</u>	<u>\$ 2,788,397</u>	<u>\$ 6,088,692</u>	<u>\$ 191,686</u>	<u>\$ 3,000,000</u>	<u>\$ 37,740,317</u>
Liabilities						
Accounts payable	\$ 558,059	\$ 58,586	\$ 9,069	\$ 3,042	\$ -	\$ 628,756
Due to other funds	1,386,940	1,102,306	-	55,194	-	2,544,440
Due to other governmental units	2,365,293	-	4,229,242	-	-	6,594,535
Payroll deductions and withholdings	3,176,535	-	-	-	-	3,176,535
Accrued salaries payable	3,917,861	1,617,046	-	30,601	-	5,565,508
Unearned revenue	<u>2,037,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,037,005</u>
Total liabilities	<u>13,441,693</u>	<u>2,777,938</u>	<u>4,238,311</u>	<u>88,837</u>	<u>-</u>	<u>20,546,779</u>
Fund Balances						
Non-spendable						
Prepaid items	772,050	-	-	38,672	-	810,722
Assigned for						
Long-term obligations	11,457,799	-	-	-	-	11,457,799
Education solutions	-	-	1,850,381	-	-	1,850,381
Athletics	-	-	-	64,177	-	64,177
Future health care costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>
Total fund balances	<u>12,229,849</u>	<u>10,459</u>	<u>1,850,381</u>	<u>102,849</u>	<u>3,000,000</u>	<u>17,193,538</u>
Total liabilities and fund balances	<u>\$ 25,671,542</u>	<u>\$ 2,788,397</u>	<u>\$ 6,088,692</u>	<u>\$ 191,686</u>	<u>\$ 3,000,000</u>	<u>\$ 37,740,317</u>

Oxford Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
General Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	General Education	Funded Education	Education Solutions	Athletics	Health Care Reserve	Total General Fund
Revenues						
Local sources	\$ 6,117,886	\$ -	\$ -	\$ 109,705	\$ -	\$ 6,227,591
State sources	83,625,477	5,299,890	-	-	-	88,925,367
Federal sources	4,270,644	1,442,263	-	-	-	5,712,907
Interdistrict sources	862,234	4,222,923	724,466	-	-	5,809,623
Total revenues	<u>94,876,241</u>	<u>10,965,076</u>	<u>724,466</u>	<u>109,705</u>	<u>-</u>	<u>106,675,488</u>
Expenditures						
Current						
Education						
Instruction	52,830,540	8,075,678	-	-	-	60,906,218
Supporting services	37,946,235	5,640,126	133,800	1,443,195	-	45,163,356
Community services	121,705	-	-	-	-	121,705
Debt service						
Principal	159,350	-	-	-	-	159,350
Interest and other expenditures	5,492	-	-	-	-	5,492
Total expenditures	<u>91,063,322</u>	<u>13,715,804</u>	<u>133,800</u>	<u>1,443,195</u>	<u>-</u>	<u>106,356,121</u>
Excess (deficiency) of revenues over expenditures	<u>3,812,919</u>	<u>(2,750,728)</u>	<u>590,666</u>	<u>(1,333,490)</u>	<u>-</u>	<u>319,367</u>
Other Financing Sources (Uses)						
Proceeds from issuance of leases	94,228	-	-	-	-	94,228
Proceeds from sale of capital assets	16,515	-	-	-	-	16,515
Transfers in (out)	(3,834,566)	2,584,996	(148,314)	1,300,000	-	(97,884)
Total other financing sources (uses)	<u>(3,723,823)</u>	<u>2,584,996</u>	<u>(148,314)</u>	<u>1,300,000</u>	<u>-</u>	<u>12,859</u>
Net change in fund balances	89,096	(165,732)	442,352	(33,490)	-	332,226
Fund balances - beginning	12,140,753	176,191	1,408,029	136,339	3,000,000	16,861,312
Fund balances - ending	<u>\$ 12,229,849</u>	<u>\$ 10,459</u>	<u>\$ 1,850,381</u>	<u>\$ 102,849</u>	<u>\$ 3,000,000</u>	<u>\$ 17,193,538</u>

Oxford Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2024

Year Ending June 30,	2016 Refunding	2018 Building & Site	2010B QSCB	2021 Refunding	2015 Refunding	2019 Refunding	2020 Refunding	2020 Building & Site	2019 Building & Site	Total
2025	\$ 2,690,000	\$ -	\$ -	\$ 420,000	\$ 2,160,000	\$ 1,170,000	\$ -	\$ 500,000	\$ 480,000	\$ 7,420,000
2026	5,110,000	-	-	445,000	-	1,340,000	500,000	-	290,000	7,685,000
2027	5,285,000	-	15,000,000	470,000	-	1,345,000	500,000	-	290,000	22,890,000
2028	6,800,000	-	-	495,000	-	1,380,000	500,000	-	290,000	9,465,000
2029	6,560,000	-	-	525,000	-	1,925,000	500,000	-	290,000	9,800,000
2030	100,000	290,000	-	550,000	-	6,000,000	2,800,000	-	420,000	10,160,000
2031	100,000	310,000	-	1,390,000	-	6,165,000	2,010,000	-	420,000	10,395,000
2032	100,000	330,000	-	2,835,000	-	6,340,000	-	500,000	420,000	10,525,000
2033	100,000	340,000	-	-	-	6,540,000	-	500,000	410,000	7,890,000
2034	100,000	370,000	-	-	-	3,710,000	-	500,000	420,000	5,100,000
2035	100,000	390,000	-	-	-	-	-	1,010,000	445,000	1,945,000
2036	100,000	400,000	-	-	-	-	-	1,025,000	455,000	1,980,000
2037	100,000	415,000	-	-	-	-	-	1,045,000	475,000	2,035,000
2038	100,000	420,000	-	-	-	-	-	1,070,000	500,000	2,090,000
2039	100,000	415,000	-	-	-	-	-	1,085,000	540,000	2,140,000
2040	-	535,000	-	-	-	-	-	1,110,000	555,000	2,200,000
2041	-	535,000	-	-	-	-	-	1,125,000	590,000	2,250,000
2042	-	550,000	-	-	-	-	-	-	620,000	1,170,000
2043	-	570,000	-	-	-	-	-	-	640,000	1,210,000
2044	-	585,000	-	-	-	-	-	-	645,000	1,230,000
2045	-	600,000	-	-	-	-	-	-	-	600,000
2046	-	615,000	-	-	-	-	-	-	-	615,000
2047	-	590,000	-	-	-	-	-	-	-	590,000
2048	-	335,000	-	-	-	-	-	-	-	335,000
Total	\$ 27,445,000	\$ 8,595,000	\$ 15,000,000	\$ 7,130,000	\$ 2,160,000	\$ 35,915,000	\$ 6,810,000	\$ 9,470,000	\$ 9,195,000	\$ 121,720,000
Principal payments due the first day of	May	May	May	May	May	May	May	May	May	
Interest payments due the first day of	May and November	May and November	May and November	May and November	May and November	May and November	May and November	May and November	May and November	
Interest rate	2.00% - 5.00%	3.50% - 4.00%	6.63%	1.65% - 2.00%	5.00%	2.06% - 2.69%	2.00%	2.00% - 5.00%	2.00% - 5.00%	

CONTINUING DISCLOSURES (UNAUDITED)

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2024**

Enrollment

Ten-year Blended Count History	Blended Count	School Year	Blended Count
2024-2025 Initial Budget	7,522	2018-2019	6,519
2023-2024	7,397	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

2022-23	Enrollment	Grade	Enrollment	Grade	Enrollment
Early On/ECSE	26	7th	311	Oxford Virtual Academy	1,971
Kindergarten	341	8th	315	Early College - OVA	59
1st	279	9th	377	Oxford Crossroads	20
2nd	292	10th	372	Auburn Area Catholic Shared Time	13
3rd	270	11th	430	Faith Baptist Shared Time	31
4th	311	12th	451	Genesee Christian Shared Time	22
5th	308	Post High School	15	Harbor Light Christian School Shared Ti	29
6th	321	Oxford Bridges	41	Holy Family Catholic Shared Time	66
		Sec 25e Adjust	(11)	Holy Family East Tawas Shared Time	5
		Sec 23a	9	Holy Rosary Catholic Shared Time	16
				Hope Christian Academy Shared Time	12
				Inter City Baptist Shared Time	25
				Lake Orion Baptist Shared Time	5
				Lutheran Northwest Shared Time	5
				Lutheran Westland Shared Time	4
				Most Holy Trinity Shared Time	9
				Novi Christian Shared Time	44
				Oakland Christian Shared Time	69
				Plymouth Christian Shared Time	45
				Powers Catholic HS Shared Time	18
				St Fabian Catholic Shared Time	26
				St Isaac Jogues Catholic Shared Time	6
				St. John Evangelist Shared Time	37
				St. John Vianney Shared Time	24
				St. Joseph Lake Orion Shared Time	165
				St. Joseph West Branch Shared Time	18
				St. Mary Cathedral School Gaylord Shar	84
				St. Mary School Lake Leelanau Shared	29
				St. Matthew Lutheran Shared Time	20
				St. Robert Bellarmine Shared Time	26
				St. Thomas More Shared Time	14
				Washtenaw Christain Shared Time	22

Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2024

Labor Relations

Class	Number	Affiliation	Contract Expires
Teachers and Instructional Staff (including OVA)	389	Oxford Education Association	8/31/2025
Shared Time - Teachers and other staff	80	Not affiliated	N/A
Transportation, Food Service	75	AFSCME	6/30/2025
Administrators	20	Oxford Administrators Association	7/31/2025
Secretaries & Paraprofessionals	107	OESPA	6/30/2025
Child Care	47	Not affiliated	N/A
Maintenance	3	Not affiliated	N/A
Central Office Administrative Support	18	Not affiliated	N/A
Central Office Administrators	10	Not affiliated	N/A
Sub Employees (childcare, food service, trans, teach)	48	Not affiliated	N/A
Other Employees	60	Not affiliated	N/A
TOTAL	<u>857</u>		

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2024**

Retirement Plan

Contributions Period	Contribution Rate	Fiscal Year Ended June 30	Contributions to MPERS
October 1, 2024 - September 30, 2025	31.34%	2025	\$ 23,459,334
October 1, 2023 - September 30, 2024	31.34%	2024	22,621,439
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

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, 2024**

State Aid Payments			
School Year	Blended Pupil Count	Total State Aid School Year	
2024-2025	7,522	\$ 88,629,257	Initial budget
2023-2024	7,397	86,743,078	
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	

History of Valuation - State Equalized Valuation and Taxable Valuation			
Year	State Equalized Valuation	Taxable Valuation	
2024	\$ 2,111,798,437	\$ 1,559,955,882	
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	

Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2024

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>
2024-2025	\$ 6,064,958	In process of collection		Not available	
2023-2024	5,934,431	5,392,163	90.86%	5,583,030	94.08%
2022-2023	5,549,684	5,215,000	93.97%	5,387,267	97.07%
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%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating - Non-Homestead	17.4324	17.4324	17.4324	17.5501	17.6597	17.7253
Sinking Fund	N/A	N/A	0.7185	0.7268	0.7344	0.7404
Debt	7.9000	7.9000	7.9000	7.9000	7.9000	7.9000
Total Homestead	7.9000	7.9000	8.6185	8.6268	8.6344	8.6404
Total Non-Homestead	25.3324	25.3324	26.0509	26.1769	26.2941	26.3657

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, 2024**

School Bond Loan Fund

As of June 30, 2024, the School District had an outstanding balance, including interest, of \$9,468,370.82 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 8.57% of the School District's 2024 total taxable valuation of \$1,559,955,882.

* 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	\$ 49,236,320
DTE Electric Company	Utility	25,887,904
Consumers Energy	Utility	15,097,236
Lake Villa MHC Holding LLC	Mobile Home Community	9,459,220
BKG Oxford LLC	Real Estate	7,897,520
EDW. C. LEVY CO ATTN: LYNN GOLLMAN	Sand and Gravel	7,052,620
701 Market Street LLC	Iron and Steel Forgings	6,284,250
Meijer Inc	Retail	4,870,480
AMC-KSG Properties LLC	Rental	4,662,690
Village Manor of Oxford LLC	Apartment Rental	3,190,480
TOTAL		<u>\$ 133,638,720</u>

Sources: Township Treasurers, County Equalization

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report (Unaudited)
For the Year Ended June 30, 2024**

**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 2024-2025; 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 2024-2025 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 \$105,397,719 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	\$ 6,817,589
State	89,291,397
Federal	3,345,353
Other	6,539,650
TOTAL REVENUES	<u>\$ 105,993,989</u>
Estimated Fund Balance July 1, 2024	17,162,054
Less Nonspendable	(810,722)
Less Assigned	<u>(16,947,602)</u>
TOTAL AVAILABLE TO APPROPRIATE	<u><u>\$ 105,397,719</u></u>

EXPENDITURES	
Instruction	
Basic Programs	\$ 52,793,757
Added Needs	10,793,295
Support Services	
Pupil	9,303,946
Instructional Staff	5,426,425
General Administration	1,313,205
School Administration	6,010,664
Business Office	1,112,813
Maintenance	8,611,585
Transportation	3,351,074
Central	4,470,031
Athletics	1,481,731
Other	262,708
Community Services	127,685
Outgoing Transfers and Other	<u>338,800</u>
TOTAL APPROPRIATED	<u><u>\$ 105,397,719</u></u>

Oxford Community Schools

Single Audit

June 30, 2024



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

Table of Contents

	Page
Single Audit	
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	14
Corrective Action Plan	15

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oxford Community Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Oxford Community Schools' basic financial statements, and have issued our report thereon dated October 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Oxford Community Schools' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oxford Community Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Oxford Community Schools' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oxford Community Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Oxford Community Schools' Response to Findings and Corrective Action Plan

Government Auditing Standards requires the auditor to perform limited procedures on Oxford Community Schools' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs and corrective action plan. Oxford Community Schools' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Yeo & Yeo, P.C.

Auburn Hills, Michigan
October 18, 2024

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' 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 Oxford Community Schools' major federal programs for the year ended June 30, 2024. Oxford Community Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Oxford Community Schools complied, in all material respects, with the 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, 2024.

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 Oxford Community Schools 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 Oxford Community Schools' 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 Oxford Community Schools' 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 Oxford Community Schools' 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 Oxford Community Schools' 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 Oxford Community Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Oxford Community Schools' 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 Oxford Community Schools' 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 were not 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 Oxford Community Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Oxford Community Schools' basic financial statements. We issued our report thereon dated October 18, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Yeo & Yeo, P.C.

Auburn Hills, Michigan
October 18, 2024

Oxford Community Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor Pass-Through Grantor Program or Cluster Title	Grant/ Project Number	Federal Assistance Listing Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2024
U.S. Department of Agriculture								
Passed through Michigan Department of Education								
Child Nutrition Cluster								
School Breakfast Program	231970	10.553	\$ 228,856	\$ 8,861	\$ 188,530	\$ 40,326	\$ 49,187	\$ -
School Breakfast Program	241970	10.553	257,078	-	-	257,078	209,481	47,597
Total School Breakfast Program			485,934	8,861	188,530	297,404	258,668	47,597
Non-Cash Assistance								
National School Lunch Program - Entitlement	N/A	10.555	173,229	-	-	173,229	173,229	-
National School Lunch Program - Bonus Entitlement	N/A	10.555	492	-	-	492	492	-
Total Non-Cash Assistance - National School Lunch Program			173,721	-	-	173,721	173,721	-
Cash Assistance								
National School Lunch Program	231960	10.555	844,353	29,177	724,932	119,421	148,598	-
National School Lunch Program - Supply Chain Assistance	240910	10.555	163,683	-	-	163,683	163,683	-
National School Lunch Program	241960	10.555	667,251	-	-	667,251	553,910	113,341
Total Cash Assistance - National School Lunch Program			1,675,287	29,177	724,932	950,355	866,191	113,341
Total National School Lunch Program			1,849,008	29,177	724,932	1,124,076	1,039,912	113,341
Summer Food Service Program	230900	10.559	54,160	11,210	11,210	42,950	54,160	-
Summer Food Service Program	240900	10.559	11,798	-	-	11,798	-	11,798
Total Summer Food Service Program			65,958	11,210	11,210	54,748	54,160	11,798
Total Child Nutrition Cluster			2,400,900	49,248	924,672	1,476,228	1,352,740	172,736
Total U.S. Department of Agriculture			2,400,900	49,248	924,672	1,476,228	1,352,740	172,736
U.S. Department of Justice								
Passed through Michigan Department of Health and Human Services								
Crime Victim Assistance - Antiterrorism Emergency Assistance Program (AEAP)								
	E20225353-00	16.575	319,977	-	-	319,977	-	319,977
Crime Victim Assistance - AEAP	E20235550-00	16.575	684,632	-	-	684,632	684,632	-
Crime Victim Assistance - AEAP	E20245276-001	16.575	703,615	-	-	349,432	349,432	-
Total Crime Victim Assistance - AEAP			1,708,224	-	-	1,354,041	1,034,064	319,977
U.S. Department of Treasury								
Passed through Oakland County Intermediate School District								
COVID-19 American Rescue Plan (ARP) - Mental Health Grant	N/A	21.027	175,000	(10,108)	164,892	10,108	-	-

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Oxford Community Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor Pass-Through Grantor Program or Cluster Title	Grant/ Project Number	Federal Assistance Listing Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2024
U.S. Department of Education								
Passed through Oakland County Intermediate School District								
Special Education Cluster								
Special Education - Grants to States - Flowthrough	220450-2122	84.027	1,186,791	1,559	1,186,791	-	1,559	-
Special Education - Grants to States - Flowthrough	230450-2223	84.027	1,333,872	536,876	1,333,872	-	536,876	-
Special Education - Grants to States - Flowthrough	240450-2324	84.027	1,412,988	-	-	1,412,988	-	1,412,988
Total Special Education - Grants to States - Flowthrough			3,933,651	538,435	2,520,663	1,412,988	538,435	1,412,988
Special Education - Preschool Grants	230460-2223	84.173	30,222	10,686	30,222	-	10,686	-
Special Education - Preschool Grants	240460-2324	84.173	31,947	-	-	29,275	-	29,275
Total Special Education - Preschool Grants			62,169	10,686	30,222	29,275	10,686	29,275
Total Special Education Cluster			3,995,820	549,121	2,550,885	1,442,263	549,121	1,442,263
Passed through Michigan Department of Education								
Title I, Part A - Grants to Local Education Agencies	231530-2223	84.010	341,345	(15,774)	228,334	16,422	648	-
Title I, Part A - Grants to Local Education Agencies	241530-2324	84.010	310,109	-	-	287,316	119,728	167,588
Total Title I, Part A - Grants to Local Education Agencies			651,454	(15,774)	228,334	303,738	120,376	167,588
Passed through Michigan Department of Education								
Title I, Part D - Neglected and Delinquent Children and Youth	231700-2223	84.013	158,143	3,355	131,556	16,966	20,321	-
Title I, Part D - Neglected and Delinquent Children and Youth	241700-2324	84.013	124,072	-	-	94,852	14,400	80,452
Total Title I, Part D - Neglected and Delinquent Children and Youth			282,215	3,355	131,556	111,818	34,721	80,452
Total Title I			933,669	(12,419)	359,890	415,556	155,097	248,040
Passed through Michigan Department of Education								
Title III, Part A - English Language Acquisition	240570-2324	84.365	4,184	-	-	2,159	-	2,159
Title III, Part A - English Language Acquisition	240580-2324	84.365	21,402	-	-	21,402	15,611	5,791
Total Title III, Part A - English Language Acquisition			25,586	-	-	23,561	15,611	7,950
Passed through Michigan Department of Education								
Title II, Part A - Supporting Effective Instruction	230520-2223	84.367	70,424	19,254	70,424	-	19,254	-
Title II, Part A - Supporting Effective Instruction	240520-2324	84.367	68,888	-	-	68,888	39,241	29,647
Total Title II, Part A - Supporting Effective Instruction			139,312	19,254	70,424	68,888	58,495	29,647
Passed through Michigan Department of Education								
Title IV, Part A - Student Support and Academic Enrichment Program	230750-2223	84.424	16,440	5,570	16,440	-	5,570	-
Title IV, Part A - Student Support and Academic Enrichment Program	240750-2324	84.424	19,902	-	-	19,902	8,983	10,919
Total Title IV, Part A - Student Support and Academic Enrichment Program			36,342	5,570	16,440	19,902	14,553	10,919

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Oxford Community Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor Pass-Through Grantor Program or Cluster Title	Grant/ Project Number	Federal Assistance Listing Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2024
U.S. Department of Education (Continued)								
Passed through Oakland County Intermediate School District								
Education Stabilization Fund								
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) II Formula Funds	213712-2021	84.425D	834,420	103,778	834,420	-	103,778	-
COVID-19 ESSER III - Formula Funds	213713-2122	84.425U	1,875,322	40,743	1,446,025	307,067	293,905	53,905
COVID-19 ESSER III - Formula Funds - 11t	213723-2122	84.425U	5,631,216	820,884	3,003,059	2,029,038	2,322,772	527,150
Total Federal Assistance Listing Number 84.425U			<u>7,506,538</u>	<u>861,627</u>	<u>4,449,084</u>	<u>2,336,105</u>	<u>2,616,677</u>	<u>581,055</u>
Total Education Stabilization Fund			<u>8,340,958</u>	<u>965,405</u>	<u>5,283,504</u>	<u>2,336,105</u>	<u>2,720,455</u>	<u>581,055</u>
Total U.S. Department of Education			<u>13,471,687</u>	<u>1,526,931</u>	<u>8,281,143</u>	<u>4,306,275</u>	<u>3,513,332</u>	<u>2,319,874</u>
U.S. Department of Health and Human Services								
Passed through Oakland County Intermediate School District								
Medicaid Cluster								
Medicaid Outreach 23-24	N/A	93.778	40,309	-	-	40,309	40,309	-
Total Federal awards			<u>\$ 17,796,120</u>	<u>\$ 1,566,071</u>	<u>\$ 9,370,707</u>	<u>\$ 7,186,961</u>	<u>\$ 5,940,445</u>	<u>\$ 2,812,587</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, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Oxford Community Schools under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Oxford Community Schools, it is not intended to and does not present the financial position or changes in financial position of Oxford Community Schools.

Note 2 - Summary of Significant Accounting Policies

Expenditures

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

Indirect Cost Rate

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

Note 3 - Subrecipients

No amounts were provided to subrecipients.

Note 4 - Reconciliation to the Financial Statements

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

Expenditures per the schedule of expenditures of federal awards	\$ 7,186,961
Federal interest tax subsidy	828,293
Proportionate share not reportable on Oxford Community Schools SEFA	<u>2,174</u>
Federal revenues per the financial statements	<u>\$ 8,017,428</u>

Oxford Community Schools
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2024

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 Schedule, except for the following differences which were due to timing of payments received by the School District:

	Federal Assistance Listing Number	Grant/ Project Number	Reported on Grant Auditor Report	Reported on Schedule of Expenditures of Federal Awards	Variance
School Breakfast Program	10.553	241970	\$ 248,354	\$ 209,481	\$ 38,873
National School Lunch Program	10.555	241960	648,698	553,910	94,788

Oxford Community Schools
Schedule of Findings and Questioned Costs
June 30, 2024

Section II – Government Auditing Standards Findings

Finding 2024-001 – Material Weakness – Timely Preparation of Bank Reconciliations

Criteria:	A required element of internal control over cash is to require a monthly bank reconciliation to be performed on all cash accounts within an entity to determine that the ending bank balance is reconciled to the General Ledger balance and all reconciling items are properly accounted for and recorded. The District should have controls in place over the preparation and review of bank reconciliations.
Condition:	During our audit, we identified that certain bank reconciliations were not completed in a timely manner. The State of Michigan defines timely as six weeks subsequent to month end.
Cause and Effect:	Due to changes in the accounting system and changes in staffing, certain aspects of finance were getting behind which was then difficult to catch up during the year. This then caused the reconciliations not to be completed in a timely manner.
Recommendation:	The School District should implement controls to ensure bank reconciliations are completed and reviewed in a timely manner.
Views of Responsible Officials:	Management agrees with the finding.
Corrective Action Plan:	See attached corrective action plan.

Oxford Community Schools
Schedule of Findings and Questioned Costs
June 30, 2024

Section II – Government Auditing Standards Findings (Continued)

Finding 2024-002 – Material Weakness – Adjustments & Financial Reporting Closing Process

Criteria:	Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles and following their year end closing procedures.
Condition:	During our audit, we identified that the School District was unprepared for the annual financial statement audit. While on site for the audit, we noted significant client entries being proposed and changes to account listings and reconciliations.
Cause and Effect:	The School District's internal controls and existing financial close processes were unable to be completed due to changes within the financial software and staffing during the year. This caused the School District to be unprepared for the audit which led to significant client adjustments and changes in account listings and reconciliations.
Recommendation:	The School District should evaluate their procedures to review the work generated from the year end closing process prior to formally closing the books for the annual financial statement audit.
Views of Responsible Officials:	Management agrees with the finding.
Corrective Action Plan:	See attached corrective action plan.

Section III – Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2024.

Oxford Community Schools
Summary Schedule of Prior Audit Findings
June 30, 2024

Section IV – Prior Audit Findings

Government Auditing Standards Findings

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

Federal Award Findings

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



October 2, 2024

Oxford Community Schools submits the following corrective action plan concerning findings 2024-001 and 2024-002 on the schedule of findings and questioned costs:

2024-001 – Material Weakness – Timely Preparation of Bank Reconciliations

Plan – Monthly production of bank reconciliations for all accounts will be reviewed and signed off within 6 weeks of the close of month. Transition to using system’s new ability to perform reconciliation in order to perform more efficiently.

Timetable for Completion – Bank reconciliations for all accounts will be up to date no later than October 31, 2024. Effective implementation of system generated bank reconciliation by December 31, 2024.

Responsible Officials – John Fitzgerald

2024-002 – Material Weakness – Adjustments & Financial Reporting Closing Process

Plan – As a result of the financial system upgrade late in the year, key personnel change over, and the impact of tight timeline associated with a major building project remaining personnel were experiencing excess workloads which undermined the audit schedule plan. Moving forward these issues have been resolved. With new personnel in place our audit plan will be reviewed for efficiencies, and it is our expectation that our audit schedules will be executed timely as planned.

Timetable for Completion – Audit plan reviewed and revised by October 31, 2024. Implementation effective immediately and ongoing throughout the year.

Responsible Officials – John Fitzgerald

Sincerely,

John Fitzgerald
Assistant Superintendent of Business and Operations





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October 18, 2024

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 the aggregate remaining fund information of Oxford Community Schools (the School District) as of and for the year ended June 30, 2024. 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:

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

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

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

This information is intended solely for the information and use of the Board of Education and management of 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 to you dated May 13, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School District are described in the footnotes of the financial statements. The School District has adopted the following Governmental Accounting Standards Board Statements effective July 1, 2023:

- 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.

We noted no transactions entered into by the School District during the year for which 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 benefits (OPEB) liability(asset), and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.

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

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

We have identified the following significant risks of material misstatement as part of our audit planning:

- Management override of controls
- Improper revenue recognition
- Events of November 30, 2021

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.

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.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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.

<u>Fund</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
District Wide	Asset - SBITAs	\$ 446,122	\$ -
District Wide	Liability - SBITAs	-	446,122
General Fund	Revenues - SBITAs	-	305,413
General Fund	Expenses - SBITAs	305,413	-

Management has excluded disclosures related to GASB 96 which are typically required by accounting principles generally accepted in the United States of America since the disclosures are 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 the School District as of and for the year ended June 30, 2024, we considered the School District’s internal control over financial reporting (internal control) as a basis for designing audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School District’s internal control.

However, during our audit we became aware of the following matter for management’s consideration that is an opportunity for returning to compliance. This letter does not affect our report dated October 18, 2024, on the financial statements of the School District.

Net Cash Resources

As a result of the changes in the food service program including the introduction of the Michigan School Meals program, meal claim revenues were in excess of anticipated amounts. A proportional increase to expenditures did not occur, resulting in a growth in net cash resources in an amount that exceeded 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 District must continue to take action to return to compliance. Districts may improve food quality or take other action designed to improve the program. We recommend that the District look at possible enhancements to the program in order to develop a spend down plan to return to compliance with this requirement.