

**VILLAGE OF OXFORD  
OAKLAND COUNTY, MICHIGAN**

**REPORT ON FINANCIAL STATEMENTS  
(with required and other supplementary information)**

**YEAR ENDED JUNE 30, 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable President and  
Members of the Village Council  
Village of Oxford, Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Oxford, Michigan (the Village), as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Oxford, Michigan, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining nonmajor governmental fund financial statements and combining component unit fund financial statements, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor governmental fund financial statements and combining component unit fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental fund financial statements and combining component unit fund financial statements are 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 November 30, 2020 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Manes Costeiran PC*

November 30, 2020

## **VILLAGE OF OXFORD MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Village of Oxford's (the "Village") financial performance provides an overview of the Village's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the Village's financial statements.

### **Financial Highlights**

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2020:

- Property tax revenues are the General Fund's largest revenue source. Property tax revenue for the year ended June 30, 2020, was approximately \$1.2 million. The Village's millage rate of 10.62 was the same as the prior year rate, and taxable values were consistent with the prior year.
- The Oakland-Macomb Interceptor Drain Project has created additional special assessments financed by thirty-year drain bonds. As of June 30, 2020, the outstanding drain bonds related to the Oakland-Macomb Interceptor Drain Project totaled \$1,356,033.

### **Using this Annual Report**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The Fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide financial statements by providing information about the Village's most significant funds. The fiduciary fund statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside the government.

**VILLAGE OF OXFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Governmental Activities**

The following tables show, in a condensed format, the current year's net position, and changes in net position compared to the prior year:

	Restated		Change from Prior Year	
	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>In Dollars</u>	<u>As a Percent</u>
<b>Assets</b>				
Current assets	\$ 1,583,594	\$ 1,591,160	\$ 7,566	0.48%
Capital assets	<u>3,508,811</u>	<u>3,395,513</u>	<u>(113,298)</u>	-3.23%
Total Assets	<u>5,092,405</u>	<u>4,986,673</u>	<u>(105,732)</u>	-2.08%
<b>Deferred Outflows of Resources</b>	<u>178,806</u>	<u>118,585</u>	<u>(60,221)</u>	-33.68%
<b>Liabilities</b>				
Current liabilities	475,094	282,888	(192,206)	-40.46%
Noncurrent liabilities	<u>1,640,106</u>	<u>1,493,229</u>	<u>(146,877)</u>	-8.96%
Total Liabilities	<u>2,115,200</u>	<u>1,776,117</u>	<u>(339,083)</u>	-16.03%
<b>Deferred Inflows of Resources</b>	<u>53,454</u>	<u>12,808</u>	<u>(40,646)</u>	-76.04%
<b>Net Position</b>				
Net investment in capital assets	2,660,365	2,845,513	185,148	6.96%
Restricted	585,542	600,244	14,702	2.51%
Unrestricted	<u>(143,350)</u>	<u>(129,424)</u>	<u>13,926</u>	-9.71%
	<u>\$ 3,102,557</u>	<u>\$ 3,316,333</u>	<u>\$ 213,776</u>	6.89%



**VILLAGE OF OXFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Governmental Activities**

	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>Change from Prior Year</u>	
			<u>In Dollars</u>	<u>As a Percent</u>
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 516,615	\$ 491,232	\$ (25,383)	-4.91%
Operating grants and contributions	496,313	474,522	(21,791)	-4.39%
Capital grants				
General revenues				
Property taxes	1,118,652	1,185,459	66,807	5.97%
State shared revenues	296,878	296,589	(289)	-0.10%
Investment earnings and other	38,545	66,575	28,030	72.72%
	<u>2,467,003</u>	<u>2,514,377</u>	<u>47,374</u>	<u>1.92%</u>
<b>Expenses</b>				
General government	235,507	271,022	35,515	15.08%
Public safety	843,821	887,791	43,970	5.21%
Public works	911,431	987,673	76,242	8.37%
Community and economic development	39,878	54,721	14,843	37.22%
Recreation and culture	93,508	85,509	(7,999)	-8.55%
Interest on long-term debt	22,730	13,885	(8,845)	-38.91%
	<u>2,146,875</u>	<u>2,300,601</u>	<u>153,726</u>	<u>7.16%</u>
Change in net position	<u>\$ 320,128</u>	<u>\$ 213,776</u>	<u>\$ (106,352)</u>	<u>33.22%</u>

The Village's governmental net position increased 6.89% from a year ago, increasing from approximately \$3.10 million to \$3.32 million.

Total governmental revenues increased \$47,374 or 1.92%. Investment earnings and other revenue increased by \$28,030 due to better market performance. Property taxes increased \$66,807 due to increases in taxable values.

The Village's total governmental expenses increased \$153,726 or 7.16% from the prior year, with increases in general government, public safety, public works, and community and economic development functions.

**VILLAGE OF OXFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Business-type Activities**

The following tables show, in a condensed format, the current year's net position and changes in net position compared to the prior year:

	June 30, 2019	June 30, 2020	Change from Prior Year	
			In Dollars	As a Percent
<b>Assets</b>				
Current and other assets	\$ 1,736,864	\$ 2,014,876	\$ 278,012	16.01%
Capital assets	<u>6,704,764</u>	<u>6,534,732</u>	<u>(170,032)</u>	-2.54%
Total Assets	<u>8,441,628</u>	<u>8,549,608</u>	<u>107,980</u>	1.28%
<b>Deferred Outflows of Resources</b>	<u>98,592</u>	<u>86,058</u>	<u>(12,534)</u>	-12.71%
<b>Liabilities</b>				
Current liabilities	155,888	167,294	11,406	7.32%
Noncurrent liabilities	<u>3,594,824</u>	<u>3,386,554</u>	<u>(208,270)</u>	-5.79%
Total Liabilities	<u>3,750,712</u>	<u>3,553,848</u>	<u>(196,864)</u>	-5.25%
<b>Deferred Inflows of Resources</b>	<u>20,097</u>	<u>6,283</u>	<u>(13,814)</u>	100.00%
<b>Net Position</b>				
Net investment in capital assets	3,399,178	3,568,965	169,787	4.99%
Restricted	48,783	48,814	31	0.06%
Unrestricted	<u>1,321,450</u>	<u>1,457,756</u>	<u>136,306</u>	10.31%
	<u>\$ 4,769,411</u>	<u>\$ 5,075,535</u>	<u>\$ 306,124</u>	6.42%
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 1,565,166	\$ 1,541,560	\$ (23,606)	-1.51%
General revenues				
Capital grants and contributions	-	16,118	16,118	N/A
Investment earnings, other revenue and transfers	<u>11,046</u>	<u>23,692</u>	<u>12,646</u>	-114.48%
Total revenues	1,576,212	1,581,370	5,158	0.33%
<b>Expenses</b>				
Water and sewer systems	<u>1,312,639</u>	<u>1,275,246</u>	<u>(37,393)</u>	-2.85%
Change in net position	<u>\$ 263,573</u>	<u>\$ 306,124</u>	<u>\$ 42,551</u>	16.14%

**VILLAGE OF OXFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Business-type Activities**

The Village's business-type activities consist of the Water and Sewer Funds. Total net position of the business-type activities increased \$306,124, or 6.42%, from a year ago. The current year operating income was \$355,959 compared to prior year operating income of \$347,631, due to reductions in personnel services and contractual services expenses.

**The Village's Funds**

Our analysis of the Village's major funds begins on page 13, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Village as a whole. The Village Council creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax mileages. The Village had three major governmental funds for the current year, the General Fund, Major Street Fund, and Municipal Street Fund.

The General Fund pays for most of the Village's governmental services. However, the most significant governmental service is public safety, which incurred expenditures of approximately \$938,782 in 2020, which was an increase of \$64,768 or 7.4%, from 2019. Total General Fund revenues increased from a year ago by \$54,643, due to increased taxable values within the Village. Total General Fund revenues for 2020 were less than expenditures resulting in a decrease in fund balance of \$46,417. Ending fund balance was \$618,479, of which all was either assigned or unassigned and therefore available for future spending. Unassigned fund balance represents approximately 11% of total General Fund expenditures and other financing uses.

The Major Street Fund is used to account for maintenance of the Village's major streets. Expenditures increased \$185,014 compared to the previous year, while intergovernmental revenues decreased by \$30,960 compared to the prior year, yet an increase in fund balance of \$11,794 was recognized.

The Municipal Street Fund is used to account for debt service for bonds issued for the improvement of the Village streets. During the current year, expenditures within the fund increased due to an increase in debt principal payments.

The Sewer Fund accounts for the activities of the sewage disposal and treatment system. The most significant expense of \$401,857 relates to Oakland County for usage fees. Charges for services decreased from \$815,554 to \$788,183. Net position of the Sewer Fund increased from \$1,514,565 in 2019 to \$1,715,815 with operating revenues outpacing operating expenses. Of the \$1,715,815, \$714,673 was invested in capital assets net of related debt.

The Water Fund accounts for the activities of the water distribution and treatment system. The most significant individual expense in the Water Fund is depreciation expense (\$216,926). Charges for services increased from \$740,545 to \$747,325. Net position of the Fund increased \$111,252 from \$3,091,170 in 2019 to \$3,202,422. The increase is a result of operating income of \$133,319. Of the \$3,202,422 in net position, \$2,826,416 is invested in capital assets and \$48,814 is restricted for debt service payments.

**VILLAGE OF OXFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**General Fund Budgetary Highlights**

Over the course of the year, the Village amended the budget to take into account events during the year. Budget amendments were made as a result of changes in estimates for tax revenues and other revenue. Overall, revenues were greater than the amended budget by \$144,516 and expenditures and other financing uses were less than the amended budget by \$11,264, resulting in a net positive variance between the amended budget and actual net change in fund balance of \$155,780.

The General Fund total budgeted revenue was amended by \$7,523 during fiscal year 2020. General Fund budgeted expenditures were amended during the year by 124,037.

**Capital Asset and Debt Administration**

The Village's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounted to \$9,930,245, net of accumulated depreciation. This investment in capital assets includes land, buildings, police equipment, and the water and sewer system. Significant current year additions to capital assets included West Burdick Street pavement rehabilitation. Additional details related to capital assets are provided in Note 4 to the financial statements.

As of June 30, 2020, the Village's primary government had total long-term obligations outstanding of \$3,609,523. The outstanding obligations consist of capital improvement bonds, accrued compensated absences, and contractual obligations to the County for the Village's share of drain bonds. More detailed information concerning long-term debt can be found in Note 5 to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The uncertainty of the COVID-19 Pandemic had a minor impact on the 2020 fiscal year with some carryover into 2021. The Village of Oxford consistently and closely monitors the budget for economic factors that affect the budget and rates, whether it be a reduction in State Revenue Sharing, ACT 51 funding or any opportunity to qualify for CARES ACT or other funding. The Village remains watchful and is prepared to reduce budget expenditures as needed to meet financial obligations. Other economic factors that will challenge the Village in coming years include health insurance increases, pension cost increased funding requirements, increase in water usage, replacement of water service lead lines mandated by the State of Michigan Lead and Copper Rules in the private section of the water system, other revenues to maintain rates at current levels, and assessed property values from increased development investments. Again, such factors were all considered in preparation of the 2021 Village fiscal year budget. In addition, the Village Council is currently monitoring, and will evaluate and respond as necessary to State Legislation regarding pension plans, employer provided health care and other changes.

**Contacting the Village's Management**

The financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Village office.

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF OXFORD**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	Primary Government			Component Unit (DDA)
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets				
Cash, cash equivalents, and pooled investments	\$ 1,550,707	\$ 1,556,918	\$ 3,107,625	\$ 391,621
Restricted cash and cash equivalents	-	48,814	48,814	-
Receivables, net	47,951	251,846	299,797	17,723
Internal balances	(157,298)	157,298	-	-
Due from other governmental units	149,800	-	149,800	-
Total current assets	1,591,160	2,014,876	3,606,036	409,344
Noncurrent assets				
Capital assets not being depreciated	553,448	709,744	1,263,192	1,450,638
Capital assets being depreciated, net	2,842,065	5,824,988	8,667,053	474,783
Total noncurrent assets	3,395,513	6,534,732	9,930,245	1,925,421
TOTAL ASSETS	4,986,673	8,549,608	13,536,281	2,334,765
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	118,585	58,182	176,767	-
Deferred charges on refunding	-	27,876	27,876	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	118,585	86,058	204,643	-
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	88,639	47,665	136,304	19,084
Accrued liabilities	29,113	10,897	40,010	1,529
Accrued interest payable	-	9,190	9,190	-
Unearned revenue	4,972	-	4,972	17,698
Current portion of compensated absences	60,164	4,582	64,746	-
Current portion of long-term debt	100,000	94,960	194,960	-
Total current liabilities	282,888	167,294	450,182	38,311
Noncurrent liabilities				
Net pension liability	994,367	487,871	1,482,238	-
Total OPEB liability	48,862	-	48,862	-
Noncurrent portion of long-term debt	450,000	2,898,683	3,348,683	519,882
Total noncurrent liabilities	1,493,229	3,386,554	4,879,783	519,882
TOTAL LIABILITIES	1,776,117	3,553,848	5,329,965	558,193
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	12,808	6,283	19,091	-
<b>NET POSITION</b>				
Net investment in capital assets	2,845,513	3,568,965	6,414,478	1,405,539
Restricted for streets and highways	600,244	-	600,244	-
Restricted for debt service	-	48,814	48,814	-
Unrestricted	(129,424)	1,457,756	1,328,332	371,033
TOTAL NET POSITION	\$ 3,316,333	\$ 5,075,535	\$ 8,391,868	\$ 1,776,572

See accompanying notes to financial statements.

**VILLAGE OF OXFORD  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Expenses	Program Revenues			Primary Government			Component Unit (DDA)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
<b>Governmental activities</b>								
General government	\$ 271,022	\$ 62,811	\$ 60,863	\$ -	\$ (147,348)	\$ -	\$ (147,348)	\$ -
Public safety	887,791	143,393	968	-	(743,430)	-	(743,430)	-
Public works	987,673	207,793	412,691	-	(367,189)	-	(367,189)	-
Community and economic development	54,721	77,235	-	-	22,514	-	22,514	-
Recreation and culture	85,509	-	-	-	(85,509)	-	(85,509)	-
Interest on long-term debt	13,885	-	-	-	(13,885)	-	(13,885)	-
<b>Total governmental activities</b>	<b>2,300,601</b>	<b>491,232</b>	<b>474,522</b>	<b>-</b>	<b>(1,334,847)</b>	<b>-</b>	<b>(1,334,847)</b>	<b>-</b>
<b>Business-type activities</b>								
Sewer	605,462	788,183	-	-	-	182,721	182,721	-
Water	669,784	753,377	-	16,118	-	99,711	99,711	-
<b>Total business-type activities</b>	<b>1,275,246</b>	<b>1,541,560</b>	<b>-</b>	<b>16,118</b>	<b>-</b>	<b>282,432</b>	<b>282,432</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 3,575,847</b>	<b>\$ 2,032,792</b>	<b>\$ 474,522</b>	<b>\$ 16,118</b>	<b>(1,334,847)</b>	<b>282,432</b>	<b>(1,052,415)</b>	<b>-</b>
<b>Component unit</b>								
Downtown Development Authority	\$ 384,004	\$ -	\$ 5,680	\$ -	-	-	-	(378,324)
<b>General revenues</b>								
Property taxes					1,185,459	-	1,185,459	442,324
State shared revenues					296,589	-	296,589	-
Investment earnings					28,474	23,692	52,166	7,527
Other					38,101	-	38,101	-
<b>Total general revenues</b>					<b>1,548,623</b>	<b>23,692</b>	<b>1,572,315</b>	<b>449,851</b>
<b>Change in net position</b>					<b>213,776</b>	<b>306,124</b>	<b>519,900</b>	<b>71,527</b>
<b>Restated net position, beginning of year</b>					<b>3,102,557</b>	<b>4,769,411</b>	<b>7,871,968</b>	<b>1,705,045</b>
<b>Net position, end of year</b>					<b>\$ 3,316,333</b>	<b>\$ 5,075,535</b>	<b>\$ 8,391,868</b>	<b>\$ 1,776,572</b>

See accompanying notes to financial statements.

**VILLAGE OF OXFORD  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2020**

	General Fund	Major Street Fund	Municipal Street Fund	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Pooled cash, cash equivalents, and investments	\$ 590,122	\$ 467,353	\$ -	\$ 140,710	\$ 1,198,185
Taxes receivable, net	4,467	-	-	-	4,467
Accounts receivable	42,379	-	-	-	42,379
Other receivables	404	342	-	106	852
Due from other governmental units	97,953	38,320	-	13,527	149,800
<b>TOTAL ASSETS</b>	<b>\$ 735,325</b>	<b>\$ 506,015</b>	<b>\$ -</b>	<b>\$ 154,343</b>	<b>\$ 1,395,683</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 84,477	\$ 1,706	\$ -	\$ 1,071	\$ 87,254
Accrued liabilities	26,697	794	-	447	27,938
Unearned revenue	4,972	-	-	-	4,972
Other payables	700	-	-	-	700
<b>TOTAL LIABILITIES</b>	<b>116,846</b>	<b>2,500</b>	<b>-</b>	<b>1,518</b>	<b>120,864</b>
<b>FUND BALANCES</b>					
Restricted					
Streets and highways	-	503,515	-	96,729	600,244
Assigned					
Infrastructure improvements	-	-	-	56,096	56,096
Subsequent year's expenditures	384,679	-	-	-	384,679
Unassigned	233,800	-	-	-	233,800
<b>TOTAL FUND BALANCES</b>	<b>618,479</b>	<b>503,515</b>	<b>-</b>	<b>152,825</b>	<b>1,274,819</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 735,325</b>	<b>\$ 506,015</b>	<b>\$ -</b>	<b>\$ 154,343</b>	<b>\$ 1,395,683</b>

See accompanying notes to financial statements.



**VILLAGE OF OXFORD  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020**

**Total fund balances - governmental funds** \$ 1,274,819

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

The cost of capital assets is	\$ 14,833,755	
Accumulated depreciation is	<u>(11,536,751)</u>	
Capital assets, net		3,297,004

An internal service fund is used by management to charge the costs of certain activities to individual funds. A portion of the assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position. 292,126

Governmental funds report actual pension expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability as of the measurement date. Pension contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:

Deferred outflows of resources related to pensions	118,585	
Deferred inflows of resources related to pensions	<u>(12,808)</u>	
		105,777

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:

Bonds payable	(550,000)	
Net pension liability	(994,367)	
Total OPEB liability	(48,862)	
Compensated absences	<u>(60,164)</u>	
		<u>(1,653,393)</u>

**Net position of governmental activities** **\$ 3,316,333**

**VILLAGE OF OXFORD  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2020**

	General Fund	Major Street Fund	Municipal Street Fund	Nonmajor Governmental Funds	Total
<b>REVENUES</b>					
Property taxes	\$ 1,185,459	\$ -	\$ -	\$ -	\$ 1,185,459
Licenses and permits	91,904	-	-	-	91,904
Intergovernmental	433,580	302,274	-	110,417	846,271
Charges for services	246,587	-	-	-	246,587
Fines and forfeitures	53,014	-	-	-	53,014
Interest and rentals	17,365	6,435	-	2,122	25,922
Other	59,968	-	-	-	59,968
<b>TOTAL REVENUES</b>	<b>2,087,877</b>	<b>308,709</b>	<b>-</b>	<b>112,539</b>	<b>2,509,125</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General government	216,016	-	-	-	216,016
Public safety	938,782	-	-	-	938,782
Public works	514,620	292,252	-	106,756	913,628
Community and economic development	43,418	-	-	-	43,418
Recreation and culture	73,263	-	-	-	73,263
Other	32,772	-	-	-	32,772
Debt service	-	4,663	315,423	1,998	322,084
<b>TOTAL EXPENDITURES</b>	<b>1,818,871</b>	<b>296,915</b>	<b>315,423</b>	<b>108,754</b>	<b>2,539,963</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>269,006</b>	<b>11,794</b>	<b>(315,423)</b>	<b>3,785</b>	<b>(30,838)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	315,423	-	315,423
Transfers out	(315,423)	-	-	-	(315,423)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(315,423)</b>	<b>-</b>	<b>315,423</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(46,417)</b>	<b>11,794</b>	<b>-</b>	<b>3,785</b>	<b>(30,838)</b>
Fund balances, beginning of year	664,896	491,721	-	149,040	1,305,657
Fund balances, end of year	<u>\$ 618,479</u>	<u>\$ 503,515</u>	<u>\$ -</u>	<u>\$ 152,825</u>	<u>\$ 1,274,819</u>

See accompanying notes to financial statements.

**VILLAGE OF OXFORD  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

**Net change in fund balances - total governmental funds** \$ (30,838)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 252,330	
Depreciation expense	<u>(322,515)</u>	
Excess of depreciation expense over capital outlay		(70,185)

Repayment of long-term debt is reported as expenditures in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Debt principal retirement		298,446
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An internal service fund is used by management to charge the costs of certain equipment usage to individual funds. A portion of the change in net position of the internal service fund attributable to those funds is reported with governmental activities.

(11,845)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in accrued interest payable	3,092	
Decrease in net pension liability	50,989	
(Increase) in total OPEB liability	(4,112)	
(Decrease) in deferred outflows of resources related to pensions	(60,221)	
Decrease in deferred inflows of resources related to pensions	40,646	
(Increase) in accrued compensated absences	<u>(2,196)</u>	

28,198

**Change in net position of governmental activities** \$ 213,776

**VILLAGE OF OXFORD  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
<b>ASSETS</b>				
Current assets				
Pooled cash, cash equivalents, and investments	\$ 1,065,766	\$ 491,152	\$ 1,556,918	\$ 352,522
Restricted cash and cash equivalents	-	48,814	48,814	-
Accounts receivable, net	124,001	127,845	251,846	253
Total current assets	<u>1,189,767</u>	<u>667,811</u>	<u>1,857,578</u>	<u>352,775</u>
Noncurrent assets				
Capital assets not being depreciated	352,372	357,372	709,744	-
Capital assets being depreciated, net	1,988,130	3,836,858	5,824,988	98,509
Total noncurrent assets	<u>2,340,502</u>	<u>4,194,230</u>	<u>6,534,732</u>	<u>98,509</u>
<b>TOTAL ASSETS</b>	<u>3,530,269</u>	<u>4,862,041</u>	<u>8,392,310</u>	<u>451,284</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	18,199	39,983	58,182	-
Deferred charges on refunding	-	27,876	27,876	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>18,199</u>	<u>67,859</u>	<u>86,058</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	39,083	8,582	47,665	1,385
Accrued wages	2,549	3,262	5,811	475
Accrued interest payable	9,190	-	9,190	-
Other accrued liabilities	-	5,086	5,086	-
Current portion of compensated absences	1,435	3,147	4,582	-
Current portion of bonds payable	94,960	-	94,960	-
Total current liabilities	<u>147,217</u>	<u>20,077</u>	<u>167,294</u>	<u>1,860</u>
Noncurrent liabilities				
Noncurrent portion of bonds payable	1,530,869	1,367,814	2,898,683	-
Net pension liability	152,602	335,269	487,871	-
Total noncurrent liabilities	<u>1,683,471</u>	<u>1,703,083</u>	<u>3,386,554</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>1,830,688</u>	<u>1,723,160</u>	<u>3,553,848</u>	<u>1,860</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	1,965	4,318	6,283	-
<b>NET POSITION</b>				
Net investment in capital assets	714,673	2,854,292	3,568,965	98,509
Restricted for debt service	-	48,814	48,814	-
Unrestricted	1,001,142	299,316	1,300,458	350,915
<b>TOTAL NET POSITION</b>	<u>\$ 1,715,815</u>	<u>\$ 3,202,422</u>	4,918,237	<u>\$ 449,424</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>157,298</u>	
<b>NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>			<u>\$ 5,075,535</u>	

See accompanying notes to financial statements.

**VILLAGE OF OXFORD  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET POSITION  
 YEAR ENDED JUNE 30, 2020**

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
<b>OPERATING REVENUES</b>				
Charges for services	\$ 787,883	\$ 747,325	\$ 1,535,208	\$ 114,355
Miscellaneous	300	6,052	6,352	-
<b>TOTAL OPERATING REVENUES</b>	<b>788,183</b>	<b>753,377</b>	<b>1,541,560</b>	<b>114,355</b>
<b>OPERATING EXPENSES</b>				
Personnel services	84,831	178,539	263,370	49,071
Contractual services	416,036	91,598	507,634	11,280
Insurance	3,175	13,970	17,145	9,525
Equipment rental	4,453	15,950	20,403	-
Repairs and maintenance	-	160	160	14,661
Supplies	1,570	65,524	67,094	10,180
Utilities	-	37,391	37,391	-
Depreciation	55,478	216,926	272,404	43,113
<b>TOTAL OPERATING EXPENSES</b>	<b>565,543</b>	<b>620,058</b>	<b>1,185,601</b>	<b>137,830</b>
<b>OPERATING INCOME (LOSS)</b>	<b>222,640</b>	<b>133,319</b>	<b>355,959</b>	<b>(23,475)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest and investment revenue	15,340	8,352	23,692	5,252
Capital charges	-	16,118	16,118	-
Interest expense	(36,730)	(44,764)	(81,494)	-
Other expense	-	(1,773)	(1,773)	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(21,390)</b>	<b>(22,067)</b>	<b>(43,457)</b>	<b>5,252</b>
<b>CHANGE IN NET POSITION</b>	<b>201,250</b>	<b>111,252</b>	<b>312,502</b>	<b>(18,223)</b>
Net position, beginning of year	1,514,565	3,091,170		467,647
Net position, end of year	<u>\$ 1,715,815</u>	<u>\$ 3,202,422</u>		<u>\$ 449,424</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(6,378)</u>	
<b>CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>			<u><b>\$ 306,124</b></u>	

See accompanying notes to financial statements.

**VILLAGE OF OXFORD  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020**

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from customers	\$ 785,850	\$ 739,550	\$ 1,525,400	\$ 114,381
Cash paid to suppliers	(421,389)	(224,654)	(646,043)	(45,180)
Cash paid for employee services and benefits	(49,103)	(103,460)	(152,563)	(48,912)
	315,358	411,436	726,794	20,289
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Other	-	(1,773)	(1,773)	-
	-	(1,773)	(1,773)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal paid on capital debt	(143,308)	(220,496)	(363,804)	-
Interest paid on capital debt	(37,522)	(44,764)	(82,286)	-
Acquisition and construction of capital assets	(70,662)	(31,710)	(102,372)	-
Capital charges	-	16,118	16,118	-
Proceeds from bonds	51,861	-	51,861	-
	(199,631)	(280,852)	(480,483)	-
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	15,340	8,352	23,692	5,252
	15,340	8,352	23,692	5,252
<b>NET INCREASE IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS</b>				
	131,067	137,163	268,230	25,541
Restated pooled cash, cash equivalents, and investments, beginning of year	934,699	402,803	1,337,502	326,981
Pooled cash, cash equivalents, and investments, end of year	\$ 1,065,766	\$ 539,966	\$ 1,605,732	\$ 352,522

See accompanying notes to financial statements.

**VILLAGE OF OXFORD  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS (continued)  
 YEAR ENDED JUNE 30, 2020**

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 222,640	\$ 133,319	\$ 355,959	\$ (23,475)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	55,478	216,926	272,404	43,113
(Increase) decrease in:				
Accounts receivable	(2,333)	(13,827)	(16,160)	26
Deferred outflow of resources related to pensions	2,851	9,683	12,534	-
Increase (decrease) in:				
Accounts payable	3,845	(61)	3,784	466
Accrued wages	2,288	2,688	4,976	159
Compensated absences	263	635	898	-
Net pension liability	34,653	71,560	106,213	-
Deferred inflow of resources related to pensions	(4,327)	(9,487)	(13,814)	-
	<u>\$ 315,358</u>	<u>\$ 411,436</u>	<u>\$ 726,794</u>	<u>\$ 20,289</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES				

**VILLAGE OF OXFORD  
FIDUCIARY FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

	<u>Custodial Fund</u>
ASSETS	
Cash and cash equivalents	<u>\$ 7,975</u>
LIABILITIES	<u>\$ -</u>
NET POSITION	
Restricted for other organizations	<u>\$ 7,975</u>

See accompanying notes to financial statements.



**VILLAGE OF OXFORD  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2020**

	<u>Custodial Fund</u>
ADDITIONS	
Investment earnings	\$ 4
DEDUCTIONS	
	166
NET CHANGE IN FIDUCIARY NET POSITION	(162)
NET POSITION	
Beginning of year, as restated	8,137
End of year	\$ 7,975

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Oxford (the Village) is located in Oakland County, Michigan. The Village of Oxford operates with a Village Manager/Council form of government and provides services to its residents in many areas including general government, law enforcement, highways and streets, and utilities services.

The Village has five Village Council members, who are elected at-large every two years for overlapping four-year terms. A full-time Village Manager is appointed by the Village Council to carry out the policies that are established.

The financial statements of the Village have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Village's more significant accounting policies are described below.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the Village of Oxford (primary government) and its component unit. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Village.

The inclusion of the activities of various agencies is based on the manifestation of oversight criteria, relying on such guidelines as the selection of the governing authority, the designation of management, the ability to exert significant influence on operations, and the accountability for fiscal matters. The accountability for fiscal matters considers the possession of the budgetary authority, the responsibility for surplus or deficit, the controlling of fiscal management, and the revenue characteristics, whether a levy or a charge. Consideration is also given to the scope of public service. The scope of public service considers whether the activity is for the benefit of the reporting entity and/or its residents and is within the geographic boundaries of the reporting entity and generally available to its citizens.

Based upon the application of these criteria, the financial statements of the Village of Oxford contain all the funds controlled by the Village Council.

Discretely Presented Component Unit

The component unit is reported in a separate column to emphasize that, while legally separate, the Village remains financially accountable for this entity or the nature and significance of the relationship between the entity and the Village is such that exclusion of the entity would render the financial statements misleading or incomplete. The financial statements contain the following discretely presented component unit:

Downtown Development Authority - The members of the governing board of the Downtown Development Authority (DDA) are appointed by the Village Council. The Village Council approves the DDA's annual budget and any required budget amendments. The Village Council also has the ability to significantly influence operations of the DDA. The DDA is included in the Village's audited financial statements and is not audited separately.

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Jointly Governed Entities

North Oakland Transportation Authority - The Authority serves the transportation needs of the residents of northern Oakland County, which includes Addison Township, Orion Township, Oxford Township, Village of Lake Orion, Village of Leonard, and the Village of Oxford. Each member community, including the Village, appoints one member of the Authority's board, which votes to approve the budget as prepared by the Authority's management.

Polly Ann Trail Management Council - The Council manages the Polly Ann Trail, which is a 14.2-mile-long non-motorized trail that runs through the member communities of Orion Township, Oxford Township, the Village of Oxford, Addison Township, and the Village of Leonard. The Village appoints one member of the Council, which votes to approve the budget as prepared by the Council's management. As part of the terms of the intergovernmental agreement, the Village contributes a portion of its trail way non-motorized funds from the Major Street Fund, which came to \$2,452 during the fiscal year.

Oxford Area Cable Communications Commission - The Commission is a nonprofit organization that seeks to enhance communications and networking in the member communities of Oxford Township, Addison Township, Village of Leonard, and Village of Oxford. The Commission achieves this mission by operating the Oxford Community Television channel, which is a public, educational, and governmental (PEG) channel. The Village appoints one member of the Commission, which votes to approve the budget as prepared by the Commission's management. As part of the terms of the intergovernmental agreement, the Village contributed cable franchise fees to the Commission in the amount of \$11,096 during the fiscal year.

Basis of Presentation

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government and its component unit as a whole. All nonfiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide financial statements). For the most part, interfund activity has been eliminated in the preparation of these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents the direct functional expenses of the primary government and its component unit and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State revenue sharing payments and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS

The fund financial statements present the Village's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds and proprietary funds. The major individual governmental fund and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

- a. The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.
- b. The Major Street Fund accounts for the financial resources that are restricted for repairs and maintenance of the Village's major streets.
- c. The Municipal Street Fund accounts for the financial resources restricted to the debt service for bonds issued for the improvement of the Village streets.

The Village reports the following major enterprise funds:

- a. The Sewer Fund is used to account for the activities of the Village's sewage disposal and sewage treatment system. The costs (expenses, including depreciation) are financed or recovered primarily through user charges.
- b. The Water Fund is used to account for the activities of the Village's water distribution and water treatment system. The costs (expenses, including depreciation) are financed or recovered primarily through user charges.

The Village also reports an internal service fund to account for the costs associated with the Village's vehicle fleet, which is the Motor Equipment Fund.

The Village also reports a custodial fund which accounts for monies held for a not-for-profit organization to which the Village provides accounting services.

Measurement Focus

The government-wide, proprietary, and fiduciary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measurement Focus (continued)

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both “measurable” and “available to finance expenditures of the current period”). The length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues that are considered measurable but not available are recorded as a receivable and unavailable revenue. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

Government-wide, proprietary, and fiduciary are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. If/when both restricted and unrestricted resources are available for use, it is the Village’s policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting

The General Fund budget shown as required supplementary information was prepared on the same modified accrual basis used to reflect actual results. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types. The Village employs the following procedures in establishing the budgetary data reflected in the financial statements.

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Budgets and Budgetary Accounting (continued)

- a. The Village requires the Village Manager to submit an estimate of revenues and anticipated expenditures for the succeeding fiscal year in June of each year. The Village Manager is then authorized to assign and transfer budget amounts within each fund to the extent that the net total fund appropriation (which the Village defines as gross authorized expenditures less related revenues that are specifically designated to fund those activities) is not exceeded. Village Council approval is required for any budgetary changes that result in an increase to net appropriations.
- b. The budget is legally adopted at the activity level for the General Fund and total expenditure level for the Special Revenue Funds; however, they are maintained at the account level for control purposes.
- c. The Village does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. Appropriations unused at June 30 are not carried forward to the following fiscal year.
- d. Budgeted amounts are reported as originally adopted or amended by the Village Council during the year. Individual amendments were appropriately approved by the Village Council as required.

Pooled Cash, Cash Equivalents, Restricted Cash and Cash Equivalents, and Investments

The Village pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balances in the pooled cash accounts are available to meet current operating requirements.

Cash consists of checking, savings, and money market accounts. Cash equivalents consist of temporary investments in mutual funds. Cash equivalents are stated at cost, which approximates fair value. Investments consist of monies held in a pooled investment account, which is administered by a third party.

Certain proceeds of the Village's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The cash is held in a pooled investment account, which is administered by a third party.

In accordance with Michigan Compiled Laws, the Village is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Pooled cash, Cash Equivalents, Restricted Cash and Cash Equivalents, and Investments (continued)

- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Due from Other Governmental Units

Due from other governmental units consists of amounts due from the State of Michigan or other governments for various payments and grants.

Receivables

Receivables consist of amounts due related from individuals and businesses related to charges for services, interest receivable, special assessments receivable, taxes levied that have not been collected, and other amounts owed to the Village at year-end. An allowance for doubtful accounts has been accrued for delinquent taxes receivable more than three years old.

Property Tax

The Village of Oxford bills and collects its own property taxes. The Village's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph:

Property taxes are levied by the Village of Oxford on July 1 on the taxable valuation of property located in the Village as of the preceding December 31 (the lien date) and are payable without penalty through August 31. All real and personal property taxes not paid to the Village by February 28 are turned over to the Oakland County Treasurer for collection. Delinquent personal property taxes receivable are remitted to the Village upon subsequent collection. Village property tax revenues are recognized as revenues in the fiscal year levied.

The Village is permitted by charter to levy taxes up to 20 mills (\$20 per \$1,000 of taxable valuation) for general governmental services. For the year ended June 30, 2020, the Village levied 10.6200 mills per \$1,000 of taxable valuation for general governmental services. The total taxable value for the 2019 levy for property within the Village was \$128,353,660.

Tax Abatements

The Village's tax revenues have been reduced by tax abatements. Management has determined these amounts to be immaterial to the financial statements.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Unearned Revenue

The Village defers revenue recognition in connection with resources that have been received but not yet earned.

Compensated Absences

Village employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation and sick time, subject to certain limitations. Sick time pay is accrued at 50% of earned and unused leave hours for employees in the government-wide financial statements.

Interfund Transactions

During the course of normal operations, the Village has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental, enterprise, and component unit funds are netted as part of the reconciliation to the government-wide financial statements.

Capital Assets

Capital assets are recorded (net of accumulated depreciation, if applicable) in the financial statements under the governmental activities, business-type activities, and component unit columns. Capital assets are those with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition cost on the date received. The Village has chosen to retroactively report infrastructure assets.



**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capital Assets (continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	5 - 25 years
Buildings	5 - 25 years
Vehicles	2 - 10 years
Office equipment and furniture	5 - 10 years
Public domain infrastructure	15 - 25 years
Water and sewer transmission and distribution	10 - 40 years
Machinery and equipment	5 - 10 years

Long-term Obligations

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as noncurrent.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in a Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet will, when applicable, report separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Village has several items that qualify for reporting in these categories and are reported in the statement of net position. These items correspond to the Village's net pension liability and are related to differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on pension plan investments, and contributions subsequent to the measurement date.

The Village also reports deferred outflows of resources related to charges associated with bond refunding.

Restricted Net Position

Restrictions of net position shown in the financial statements indicate restrictions that have been imposed by outside sources which preclude a portion of net position from their use for unrestricted purposes.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fund Balance Classifications

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, established fund balance classifications that comprise a hierarchy based on primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources in governmental funds. The following are the five classifications under this standard:

*Nonspendable* - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

*Restricted* - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

*Committed* - amounts constrained on use imposed by formal action of the government's highest level of decision-making authority (i.e., Board, Council, etc.).

*Assigned* - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

*Unassigned* - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

The formal action that is required to be taken to establish a fund balance commitment is a resolution by the Village Council, the highest level of decision-making authority. If a fund balance commitment is made, the commitment remains in effect until a resolution is made to remove it.

For assigned fund balance, the Village of Oxford has not approved a policy indicating who is authorized to assign amounts to a specific purpose. In the absence of such a policy, the authority to assign fund balance remains with the Village Council.

The Village of Oxford has not formally adopted a policy that determines when both restricted and unrestricted fund balances are available which should be used first. In the absence of such a policy, resources with the highest level of restriction will be used first.

Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS**

As of June 30, 2020, the Village had deposits and investments subject to the following risk:

**Custodial credit risk - deposits.** In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. As of June 30, 2020, \$615,479 of the Village's bank balance of \$950,513 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was \$822,521. The Village had \$300 of imprest cash.

**Custodial credit risk - investments.** For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Village will do business.

**Interest rate risk.** In accordance with its investment policy, the Village will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Village's cash requirements.

**Concentration of credit risk.** The Village will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Village's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Fair Value Measurements

The Village 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. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Village's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments in Entities that Calculate Net Asset Value per Share

The Village holds shares or interests in an investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS (continued)**

Investments in Entities that Calculate Net Asset Value per Share (continued)

The Oakland County Government Investment Pool includes investments that the Village does not control. The investment pool invests primarily in high-quality money market instruments, including certificates of deposit, commercial paper, and U.S. government and agency obligations, to protect the investment principal and provide liquidity.

At the year ended June 30, 2020, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Oakland County Government Investment Pool	\$ 2,733,214	\$ -	No restrictions	None

The deposits and investments referred to above have been reported in the cash and cash equivalents, restricted cash and cash equivalents, or investments captions on the basic financial statements, based upon criteria disclosed in Note 1. The following summarizes the categorization of these amounts as of June 30, 2020:

	<u>Primary Government</u>	<u>Fiduciary Fund</u>	<u>Component Unit</u>	<u>Reporting Entity</u>
Pooled cash, cash equivalents and investments	\$ 3,107,625	\$ 7,975	\$ 391,621	\$ 3,507,221
Restricted cash and cash equivalents	48,814	-	-	48,814
	<u>\$ 3,156,439</u>	<u>\$ 7,975</u>	<u>\$ 391,621</u>	<u>\$ 3,556,035</u>

**NOTE 3 - INTERFUND TRANSFERS**

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Transfers to Municipal Street Fund from:	
General Fund	<u>\$ 315,423</u>

Transfers are used to move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The transfer from the General Fund to the Municipal Street Fund was for debt service payments.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020, was as follows:

**PRIMARY GOVERNMENT**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 553,448	\$ -	\$ -	\$ 553,448
Capital assets being depreciated				
Buildings	1,507,958	-	-	1,507,958
Land improvements	25,428	-	-	25,428
Street lighting	70,550	-	-	70,550
Equipment and furniture	1,126,256	15,175	(148,682)	992,749
Vehicles	887,974	50,917	(96,757)	842,134
Infrastructure	12,245,388	186,238	-	12,431,626
Total capital assets being depreciated	<u>15,863,554</u>	<u>252,330</u>	<u>(245,439)</u>	<u>15,870,445</u>
Less accumulated depreciation for:				
Buildings	(1,297,828)	(46,951)	-	(1,344,779)
Land improvements	(25,428)	-	-	(25,428)
Street lighting	(70,550)	-	-	(70,550)
Equipment and furniture	(1,049,371)	(16,722)	139,349	(926,744)
Vehicles	(750,940)	(29,034)	96,757	(683,217)
Infrastructure	(9,714,074)	(263,588)	-	(9,977,662)
Total accumulated depreciation	<u>(12,908,191)</u>	<u>(356,295)</u>	<u>236,106</u>	<u>(13,028,380)</u>
Net capital assets being depreciated	<u>2,955,363</u>	<u>(103,965)</u>	<u>(9,333)</u>	<u>2,842,065</u>
Total net capital assets	<u>\$ 3,508,811</u>	<u>\$ (103,965)</u>	<u>\$ (9,333)</u>	<u>\$ 3,395,513</u>

Depreciation expense was charged to the following governmental activities:

General government	\$ 26,827
Public safety	22,768
Public works	272,920
Motor Pool	<u>43,113</u>
	<u>\$ 365,628</u>

The current period depreciation expense of \$365,628 has been adjusted by \$9,333 for the loss on disposal of capital assets during the period, in accordance with GASB Statement No. 34 implementation guide which states that immaterial losses may be handled as an adjustment to the current period's depreciation expense.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - CAPITAL ASSETS (continued)**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 709,744	\$ -	\$ -	\$ 709,744
Capital assets being depreciated				
Land improvements	34,727	-	-	34,727
Buildings	2,845,307	-	-	2,845,307
Office equipment and furniture	22,154	-	-	22,154
Water supply system improvements	5,172,617	-	-	5,172,617
Village lateral lines	2,670,322	-	-	2,670,322
Paint creek interceptor	3,356,571	70,662	-	3,427,233
Machinery and equipment	476,037	31,710	-	507,747
Total capital assets being depreciated	<u>14,577,735</u>	<u>102,372</u>	<u>-</u>	<u>14,680,107</u>
Less accumulated depreciation for:				
Land improvements	(34,101)	(626)	-	(34,727)
Buildings	(918,977)	(71,133)	-	(990,110)
Office equipment and furniture	(22,154)	-	-	(22,154)
Water supply system improvements	(3,195,217)	(133,742)	-	(3,328,959)
Village lateral lines	(2,670,322)	-	-	(2,670,322)
Paint creek interceptor	(1,383,625)	(55,478)	-	(1,439,103)
Machinery and equipment	(358,319)	(11,425)	-	(369,744)
Total accumulated depreciation	<u>(8,582,715)</u>	<u>(272,404)</u>	<u>-</u>	<u>(8,855,119)</u>
Net capital assets being depreciated	<u>5,995,020</u>	<u>(170,032)</u>	<u>-</u>	<u>5,824,988</u>
Total net capital assets	<u>\$ 6,704,764</u>	<u>\$ (170,032)</u>	<u>\$ -</u>	<u>\$ 6,534,732</u>

Depreciation expense was charged to the following business-type activities:

Water system	\$ 216,926
Sewer system	<u>55,478</u>
	<u>\$ 272,404</u>

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - CAPITAL ASSETS (continued)**

COMPONENT UNIT

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b>Downtown Development Authority</b>				
Capital assets not being depreciated				
Land	\$ 1,395,050	\$ -	\$ -	\$ 1,395,050
Construction in progress	-	55,588	-	55,588
Subtotal	1,395,050	55,588	-	1,450,638
Capital assets being depreciated				
Land improvements	1,642,971	-	-	1,642,971
Street lighting	84,181	-	-	84,181
Equipment and furniture	17,314	-	-	17,314
Total capital assets being depreciated	1,744,466	-	-	1,744,466
Less accumulated depreciation for:				
Land improvements	(1,079,229)	(108,934)	-	(1,188,163)
Street lighting	(60,211)	(3,995)	-	(64,206)
Equipment and furniture	(17,314)	-	-	(17,314)
Total accumulated depreciation	(1,156,754)	(112,929)	-	(1,269,683)
Net capital assets being depreciated	587,712	(112,929)	-	474,783
Total net capital assets	\$ 1,982,762	\$ (57,341)	\$ -	\$ 1,925,421

**NOTE 5 - LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term debt (including current portion) of the Village for the year ended June 30, 2020.

PRIMARY GOVERNMENT

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Amounts Due in One Year
<b>Governmental Activities</b>					
Other debt					
General Obligation Bonds					
2005 Capital Improvement Bonds	\$ 223,446	\$ -	\$ (223,446)	\$ -	\$ -
2015 Capital Improvement Bonds	625,000	-	(75,000)	550,000	100,000
Total other debt	848,446	-	(298,446)	550,000	100,000
Compensated absences	57,968	20,586	(18,390)	60,164	60,164
Total Governmental Activities	906,414	20,586	(316,836)	610,164	160,164

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - LONG-TERM OBLIGATIONS (continued)**

PRIMARY GOVERNMENT (continued)

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Amounts Due in One Year
<b>Business-type Activities</b>					
Direct Borrowings and Direct Placements					
2010 Oakland - Macomb Drain Bonds	\$ 197,554	\$ -	\$ (14,317)	\$ 183,237	\$ 14,661
2010B Oakland - Macomb Drain Bonds	51,283	-	(51,283)	-	-
2011 Oakland - Macomb Drain Bonds	286,243	-	(15,954)	270,289	16,377
2013 Oakland - Macomb Drain Bonds	653,095	-	(35,015)	618,080	35,740
2014A Oakland - Macomb Drain Bonds	96,640	-	(4,853)	91,787	5,007
2015 Oakland - Macomb Drain Bonds	202,394	-	(9,754)	192,640	9,889
2017 Clinton River WRRF Drain Bonds	230,067	-	(8,970)	221,097	9,204
2019 Refunding Bonds	-	51,861	(3,162)	48,699	4,082
Total Direct Borrowings and Direct Placements	<u>1,717,276</u>	<u>51,861</u>	<u>(143,308)</u>	<u>1,625,829</u>	<u>94,960</u>
Other debt					
General Obligation Bonds					
2008 Refunding Bonds	195,000	-	(100,000)	95,000	-
2017 Capital Improvement Refunding Bonds	1,331,250	-	(113,600)	1,217,650	-
2017 Capital Improvement Refunding Bonds Premium	62,060	-	(6,896)	55,164	-
Total other debt	<u>1,588,310</u>	<u>-</u>	<u>(220,496)</u>	<u>1,367,814</u>	<u>-</u>
Compensated absences	<u>3,684</u>	<u>1,838</u>	<u>(940)</u>	<u>4,582</u>	<u>4,582</u>
Total Business-type Activities	<u>3,309,270</u>	<u>53,699</u>	<u>(364,744)</u>	<u>2,998,225</u>	<u>99,542</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 4,215,684</u>	<u>\$ 74,285</u>	<u>\$ (681,580)</u>	<u>\$ 3,608,389</u>	<u>\$ 259,706</u>

COMPONENT UNIT

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Amounts Due in One Year
Downtown Development Authority					
Other debt					
General Obligation Bonds					
2005 Capital Improvement Bonds	\$ 71,508	\$ -	\$ (71,508)	\$ -	\$ -
2017 Capital Improvement Refunding Bonds	543,750	-	(46,400)	497,350	-
2017 Capital Improvement Refunding Bonds Premium	25,349	-	(2,817)	22,532	-
TOTAL COMPONENT UNIT	<u>\$ 640,607</u>	<u>\$ -</u>	<u>\$ (120,725)</u>	<u>\$ 519,882</u>	<u>\$ -</u>

PRIMARY GOVERNMENT

Governmental Activities

Significant details regarding outstanding long-term debt (including current portion) are presented below:

\$750,000 2015 General Obligation Capital Improvement Limited Tax Bonds, dated March 1, 2015, due in annual installments ranging from \$75,000 to \$125,000 through January 1, 2025, with interest of 2.45%, payable semi-annually.

\$ 550,000



**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - LONG-TERM OBLIGATIONS (continued)**

PRIMARY GOVERNMENT (continued)

Business-type Activities

\$1,100,000 2008 Refunding Bonds, dated July 1, 2008, due in annual installments of \$95,000 through July 1, 2021, with interest of 4.25%, payable semi-annually.	\$ 95,000
\$299,848 Oakland-Macomb Interceptor Drain Drainage District Bond, Series 2010, dated January 22, 2010, due in annual installments ranging from \$14,661 to \$18,802 through April 1, 2031, with interest of 2.50%, payable semi-annually.	183,237
\$360,433 Oakland-Macomb Interceptor Drain Drainage District Bond, Series 2011, dated December 16, 2011, due in annual installments ranging from \$16,377 to \$22,518 through April 1, 2032, with interest of 2.50%, payable semi-annually.	270,289
\$786,515 Oakland-Macomb Interceptor Drain Drainage District Bond, Series 2013, dated December 16, 2013, due in estimated annual installments ranging from \$35,740 to \$47,150 through October 1, 2034, with interest of 2.00%, payable semi-annually.	618,080
\$114,998 Oakland-Macomb Interceptor Drain Drainage District Bond, Series 2014A, dated October 28, 2014, due in annual installments ranging from \$5,007 to \$7,550 through October 1, 2034, with interest ranging from 2.00% to 3.125%, payable semi-annually.	91,787
\$230,030 Oakland-Macomb Interceptor Drain Drainage District Bond, Series 2015, dated April 9, 2015, due in annual installments ranging from \$9,889 to \$14,495 through April 1, 2036, with interest of 2.50%, payable semi-annually.	192,640
\$2,180,000 Village of Oxford Capital Improvement Refunding Bonds, Series 2017, dated June 1, 2017, due in annual installments ranging from \$142,000 to \$170,400 through July 1, 2028, with interest of 3.00%, payable semi-annually.	1,217,650
\$51,861 Oakland-Macomb Interceptor Drain Drainage District Bond, Series 2019, dated December 2, 2019, due in annual installments ranging from \$4,082 to \$5,749 through April 1, 2030, with interest of 1.85%, payable semi-annually.	48,699
\$230,067 Oakland-Clinton Interceptor Drain Drainage District Bond, Series 2017, dated October 1, 2017, due in annual installments ranging from \$8,970 to \$14,430 through October 1, 2038, with interest of 2.50%, payable semi-annually.	221,097
Total Business-type Activities	<u>2,938,479</u>
TOTAL PRIMARY GOVERNMENT	<u><u>\$ 3,488,479</u></u>

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - LONG-TERM OBLIGATIONS (continued)**

COMPONENT UNIT

\$2,180,000 Village of Oxford Capital Improvement Refunding Bonds, Series 2017, dated June 1, 2017, due in annual installments ranging from \$58,000 to \$69,600 through July 1, 2028, with interest of 3.00%, payable semi-annually. \$ 497,350

Compensated Absences

Individual employees have vested rights upon termination of employment to receive payments for unused sick/vacation time. The dollar amounts of these vested rights including related payroll taxes, which have been recorded in the government-wide financial statements, amounted to \$61,298 in the governmental activities and \$4,582 in the business-type activities at June 30, 2020. Compensated absences for governmental activities are normally liquidated by the General Fund, and compensated absences for business-type activities are liquidated by the Water and Sewer Funds.

Advance Refunding - Prior

On July 1, 2008, the Village defeased a portion of the 1996 Water Revenue Bonds, which were due and payable through July 1, 2021. This was accomplished by establishing an irrevocable trust with an escrow agent composed of cash and U.S. Government Securities sufficient to meet the applicable principal and interest payments. The Village issued the 2008 Refunding Bonds in the amount of \$1,100,000. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the Village's financial statements. At June 30, 2020, bonds due and payable through July 1, 2021, for the 1996 Water Revenue Bonds in the amount of \$200,000 are considered defeased.

On June 15, 2017, the Village defeased a portion of the 2008A Capital Improvement Bonds - Water Fund which were due and payable July 1, 2018, through July 1, 2028, and a portion of the 2008 Capital Improvement Bonds - DDA Fund, which were due and payable July 1, 2018, through July 1, 2028. This was accomplished by establishing an irrevocable trust with an escrow agent composed of cash and U.S. government securities sufficient to meet the applicable principal and interest obligations. The Village issued 2017 Capital Improvement Refunding Bonds in the amount of \$2,180,000. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the Village's financial statements. At June 30, 2019, bonds due and payable through July 1, 2028, for the 2008A Capital Improvement Bonds - Water Fund in the amount of \$1,225,000 and for 2008 Capital Improvement Bonds - DDA Fund in the amount of \$505,000 are considered defeased.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - LONG-TERM OBLIGATIONS (continued)**

The annual requirements to pay the debt principal and interest outstanding for the bonds payable are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities				Component Unit	
	Other Debt		Other Debt		Direct Borrowings and Direct Placements		Other Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 100,000	\$ 13,475	\$ -	\$ 18,265	\$ 94,960	\$ 35,909	\$ -	\$ 7,460
2022	100,000	11,025	237,000	34,400	97,152	33,172	58,000	14,051
2023	100,000	8,575	142,000	30,140	99,469	30,959	58,000	12,311
2024	125,000	6,125	142,000	25,880	101,984	28,691	58,000	10,571
2025	125,000	3,063	142,000	21,620	104,391	26,368	58,000	8,831
2026-2030	-	-	649,650	39,671	560,748	94,251	265,350	16,204
2031-2035	-	-	-	-	497,018	29,636	-	-
2036-2039	-	-	-	-	70,107	247	-	-
	<u>\$ 550,000</u>	<u>\$ 42,263</u>	<u>\$ 1,312,650</u>	<u>\$ 169,976</u>	<u>\$ 1,625,829</u>	<u>\$ 279,233</u>	<u>\$ 497,350</u>	<u>\$ 69,428</u>

**NOTE 6 - DEFINED BENEFIT PENSION PLAN**

Plan Description

The Village's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan's Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing MERS website at [www.mersofmich.com](http://www.mersofmich.com).

Summary of Significant Accounting Policies

For the 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 Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. 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.

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. Public Act 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The MERS plan covers full-time general employees, and employees hired after July 1, 2012, and union employees at the Village. All divisions are closed to new hires.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

Benefits Provided (continued)

Retirement benefits for employees are calculated at 2.50% of the employee’s five-year final average compensation times the employee’s years of service with a maximum of 80% of final average compensation. Normal retirement age is 60 with an unreduced benefit at age 55 with 30 years of service or reduced benefit at age 50 with 25 years of service or age 55 with 15 years of service. Deferred retirement benefits vest after 10 years of credited service but are not paid until the date retirement would have occurred had the member remained an employee. Employees are eligible for non-duty disability benefits after 10 years of service and for duty related disability benefits upon hire. Disability benefits are determined in the same manner as retirement benefits but are payable immediately and if duty-related without an actuarial reduction for retirement before age 60 is not applied. An employee who leaves service may withdraw his or her contributions, plus any accrued interest.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the Village Council, generally after negotiations of these terms with the affected unions. Benefits terms may be subjected to binding arbitration in certain circumstances.

At the December 31, 2019, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	10
Active employees	8
Total employees covered by MERS	24

Contributions

The Village is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended June 30, 2020, the active employee contribution rates were 2.50% of annual payroll for the general employee division, 2.00% for the union division, and 5.00% for the employees hired after July 1, 2012 division. The Village’s contribution rate was a flat rate of \$8,232 per month for the general employee division, \$1,866 for the union division, and \$617 per month for active employees hired after July 1, 2012.

Net Pension Liability

The employer’s net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

Net Pension Liability (continued)

Changes in the net pension liability during the measurement year were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
<u>Changes in Net Pension Liability</u>			
Balances at December 31, 2018	\$ 3,551,994	\$ 2,124,980	\$ 1,427,014
Changes for the Year			
Service cost	49,628	-	49,628
Interest on total pension liability	279,845	-	279,845
Changes in benefits	1,715	-	1,715
Difference between expected and actual experience	35,540	-	35,540
Changes in assumptions	119,776	-	119,776
Employer contributions	-	135,020	(135,020)
Employee contributions	-	12,103	(12,103)
Net investment income	-	289,142	(289,142)
Benefit payments, including employee refunds	(157,489)	(157,489)	-
Administrative expense	-	(4,985)	4,985
Net changes	329,015	273,791	55,224
Balances at December 31, 2019	\$ 3,881,009	\$ 2,398,771	\$ 1,482,238

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the employer recognized pension expense of \$198,775. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 23,693	\$ 19,091
Changes in assumptions	79,851	-
Net difference between projected and actual earnings on pension plan investments	8,933	-
Contributions subsequent to the measurement date*	64,290	-
Total	\$ 176,767	\$ 19,091

\* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2021.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$64,290), which will impact the net pension liability in fiscal year 2021, rather than pension expense.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense
2021	\$ 28,269
2022	59,898
2023	29,171
2024	(23,952)

Actuarial Assumptions

The total pension liability in the December 31, 2019, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary increases: 3.00% in the long-term plus a percentage based on age related scale to reflect merit, longevity, and promotional pay increases.

Investment rate of return: 7.60%, net of investment expenses, including inflation.

The mortality table used to project the mortality experience of non-disabled plan members is a 50% Male - 50% Female blend of the following tables: 1. the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%, 2. the RP-2014 Employee Mortality Tables, and 3. the RP-2014 Juvenile Mortality Tables. The mortality table used to project the mortality experience of disabled plan members is a 50% Male - 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the valuation were based on the results of the 2009-2013 Five-Year Experience Study.

Discount Rate

The discount rate used to measure the total pension liability is 7.60%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

Projected Cash Flows

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. 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.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.00%	6.15%
Global Fixed Income	20.00%	1.26%
Private Investments	20.00%	6.56%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Village, calculated using the discount rates of 7.60%, as well as what the Village's net pension liability would be using a discount rate that is 1% lower (6.60%) or 1% higher (8.60%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 1,942,528	\$ 1,482,238	\$ 1,090,329

Assumption Changes

The beginning of year total pension liability was based on a single discount rate of 8.00%, an investment rate of return of 7.75%, and a rate of wage inflation of 3.75%, and the end of year total pension liability was based on a single discount rate of 7.60%, an investment rate of return of 7.60%, and a rate of wage inflation of 3.00%.

**NOTE 7 - DEFINED CONTRIBUTION PENSION PLAN**

Certain management positions have opted out of the defined benefit pension plan for an informal defined contribution pension benefit administered by the Village. The Village Council established the informal plans through employment contracts to make contributions to pension accounts of the employees' choosing. Amendments to the informal plans may be made through contract negotiations. The contribution rates are based on individual employment contracts ranging from 4.5% to 11.5%.

The Village's total payments to the defined contribution plans for the fiscal year were \$27,847.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS PLAN**

Plan Description

The Village of Oxford Police Retiree Healthcare Plan (the “Plan”) is a single-employer defined benefit healthcare plan administered by the Village of Oxford. The Plan was established and is being funded under the authority of the Village and under agreements with the union representing the police officers. The Plan does not issue separate stand-alone financial statements.

Benefits Provided

The Plan provides eligible police officers with 30 years of service with medical, prescription drug, dental and vision coverage of \$210 per month until reaching the age of Medicare eligibility in accordance with union agreements and/or personnel policies. The Village covers the cost of coverage for these benefits less the balance of premiums required to be contributed by retirees in accordance with Plan provisions.

Summary of Plan Participants

At the June 30, 2020 valuation date, the following employees were covered by the benefit terms:

Retirees and survivors	-
Covered spouse/dependents	-
Active plan members	<u>4</u>
	<u><u>4</u></u>

Contributions

The Village has no obligations to make contributions in advance of when the premiums are due for payments (i.e., may be financed on a “pay-as-you-go” basis). The Village is currently only paying premiums of retirees from current, available financial resources. For the year ended June 30, 2020, the Village’s only contribution was its portion of premium payments.

Total OPEB Liability

The total OPEB liability of the Village was measured as of June 30, 2020, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation from June 30, 2019 recalculated with the following assumptions and rolled forward to June 30, 2020 and the following actuarial assumptions applied to all periods included in the measurement:

- Inflation Implicit in salary increases.
- Salary increases 3.5% for purposes of allocating liabilities.
- Investment rate of return N/A; the plan is not yet pre-funded.
- 20-year Aa Municipal bond rate 3.00%.
- Mortality Pub 2010 Public Retirement Plans Headcount weighted Mortality Tables for public safety employees, annuitant and non-annuitant, sex-distinct.

Actuarial Assumptions

As an OPEB Trust has not yet been established, no asset allocation is reported.



**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS PLAN (continued)**

Change in Total OPEB Liability

The change in the total OPEB liability for the year ended June 30, 2020 is as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2019	\$ 44,750	\$ -	\$ 44,750
Changes for the Year			
Service cost	2,809	-	2,809
Interest on total pension liability	1,303	-	1,303
Net changes	4,112	-	4,112
Balances at June 30, 2020	\$ 48,862	\$ -	\$ 48,862

Summary of Significant Accounting Policies

For purposes of measuring the net other post-employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the Plan and additions to/deductions from the Village's fiduciary net position have been determined on the same basis as they are reported for the Village. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments, if there were any, would be reported at fair value. At June 30, 2020, the Village had no fiduciary plan assets, so net position at June 30, 2020 was \$0.

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the Village, as well as what the Village's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00%) or 1-percentage-point higher (4.00%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 58,179	\$ 48,862	\$ 41,341

There is no table for sensitivity to changes in healthcare cost trend rates because the plan provides a fixed dollar amount.

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Village recognized OPEB expense of \$4,112. At June 30, 2020, the Village reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS PLAN (continued)**

Actuarially Determined Contribution

The Actuarially Determined Contribution (ADC) based on the valuation from June 30, 2019, recalculated and rolled forward to June 30, 2020, was \$5,261.

**NOTE 9 - RISK MANAGEMENT**

The Village is exposed to various risks of loss for property, liability, wrongful acts, automobile, and crime losses for which the Village carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The Village participates in a State pool, the Michigan Municipal League Workers' Compensation Fund, with other municipalities for workers' compensation claims. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The Village has not been informed of any special assessments being required in the past three years.

**NOTE 10 - CONSTRUCTION CODE FEES**

In accordance with Michigan Public Act 245 of 1999, the Village is required to maintain an accounting system that separately accumulates revenues and expenditures related to the building department function.

As required under provisions of the Act, the Village adopted this accounting treatment effective January 1, 2000. The following is a summary of the activity for the year ended June 30, 2020:

REVENUES		
Permits	\$	57,104
EXPENDITURES		
Salaries and wages		45,444
Fringe benefits		3,112
Contacted services		45,714
Supplies and other		737
TOTAL EXPENDITURES		95,007
EXCESS OF REVENUES (UNDER) EXPENDITURES		(37,903)
PRIOR CUMULATIVE EXCESS OF REVENUES (UNDER) EXPENDITURES		(113,012)
CUMULATIVE EXCESS OF REVENUES (UNDER) EXPENDITURES	\$	(150,915)

**VILLAGE OF OXFORD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - NEW ACCOUNTING STANDARD**

For the year ended June 30, 2020, the Village implemented the following new pronouncement: GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities for all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Villages with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position.

The restatement of the beginning of the year net position is as follows:

	Custodial Fund
Net Position as of July 1, 2019, as previously stated	\$ -
Adoption of GASB Statement No. 84	8,137
Net Position as of July 1, 2019, as restated	\$ 8,137

**NOTE 12 - RESTATEMENT OF NET POSITION**

The Village restated beginning net position of governmental activities by (\$44,750) during the year as a result of an understated Net OPEB Liability. Details of the restatement are as follows:

	Governmental Activities
Net Position as of July 1, 2019, as previously stated	\$ 3,147,307
Understated Net OPEB Liability	(44,750)
Net Position as of July 1, 2019, as restated	\$ 3,102,557

**VILLAGE OF OXFORD**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENTS**

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. The Village is currently evaluating the impact this standard will have on the financial statements when adopted during the 2021-2022 fiscal year.

Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued by the GASB in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Village is currently evaluating the impact this standard will have on the financial statements when adopted during the 2022-2023 fiscal year.

**NOTE 14 - UNCERTAINTIES**

The extent of the impact of COVID-19 on the Village's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on services, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition and results of operations is uncertain.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF OXFORD  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>			Variances with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Property taxes	\$ 1,156,212	\$ 1,156,212	\$ 1,185,459	\$ 29,247
Licenses and permits	42,870	42,870	91,904	49,034
Intergovernmental	406,900	406,900	433,580	26,680
Charges for services	235,918	235,918	246,587	10,669
Fines and forfeitures	59,000	59,000	53,014	(5,986)
Interest and rentals	5,600	5,600	17,365	11,765
Other	29,338	36,861	59,968	23,107
<b>TOTAL REVENUES</b>	<b>1,935,838</b>	<b>1,943,361</b>	<b>2,087,877</b>	<b>144,516</b>
<b>EXPENDITURES</b>				
Current				
General government				
Council	7,643	8,643	6,461	2,182
Administration	60,562	60,630	59,348	1,282
Clerk	73,265	73,333	54,845	18,488
Board of appeals	746	746	7	739
Treasurer	22,061	25,871	23,942	1,929
Building and grounds	41,310	44,315	44,470	(155)
Attorney	48,200	48,200	26,700	21,500
Beautification Commission	120	250	243	7
<b>Total general government</b>	<b>253,907</b>	<b>261,988</b>	<b>216,016</b>	<b>45,972</b>
Public safety				
Police	787,181	807,430	824,680	(17,250)
Drug forfeiture	1,000	1,000	-	1,000
Code enforcement	19,864	19,864	19,095	769
Building inspection	83,838	86,743	95,007	(8,264)
<b>Total public safety</b>	<b>891,883</b>	<b>915,037</b>	<b>938,782</b>	<b>(23,745)</b>
Public works				
Department of public works	229,115	277,532	267,390	10,142
Street lighting	40,000	45,700	43,057	2,643
Refuse collection	199,877	205,082	204,173	909
<b>Total public works</b>	<b>468,992</b>	<b>528,314</b>	<b>514,620</b>	<b>13,694</b>

**VILLAGE OF OXFORD  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE (continued)  
YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>			Variances with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
EXPENDITURES (continued)				
Current (continued)				
Community and economic development				
Planning	\$ 29,296	\$ 43,876	\$ 39,360	\$ 4,516
Public relations	3,500	5,000	4,058	942
Total community and economic development	32,796	48,876	43,418	5,458
Recreation and culture				
Parks and recreation	40,153	47,153	46,475	678
Civic center	18,119	28,519	26,788	1,731
Total recreation and culture	58,272	75,672	73,263	2,409
Other	37,328	37,328	32,772	4,556
TOTAL EXPENDITURES	<u>1,743,178</u>	<u>1,867,215</u>	<u>1,818,871</u>	<u>48,344</u>
EXCESS OF REVENUES OVER EXPENDITURES	192,660	76,146	269,006	192,860
OTHER FINANCING (USES)				
Transfers out	<u>(278,343)</u>	<u>(278,343)</u>	<u>(315,423)</u>	<u>(37,080)</u>
NET CHANGE IN FUND BALANCE	(85,683)	(202,197)	(46,417)	155,780
Fund balance, beginning of year	<u>664,896</u>	<u>664,896</u>	<u>664,896</u>	<u>-</u>
Fund balance, end of year	<u>\$ 579,213</u>	<u>\$ 462,699</u>	<u>\$ 618,479</u>	<u>\$ 155,780</u>

**VILLAGE OF OXFORD  
MAJOR STREET FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variances with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
REVENUES				
Intergovernmental	\$ 224,000	\$ 224,000	\$ 302,274	\$ 78,274
Interest and rentals	500	500	6,435	5,935
TOTAL REVENUES	224,500	224,500	308,709	84,209
EXPENDITURES				
Current				
Public works	316,219	319,185	292,252	26,933
Debt service	-	-	4,663	(4,663)
TOTAL EXPENDITURES	316,219	319,185	296,915	22,270
NET CHANGE IN FUND BALANCE	(91,719)	(94,685)	11,794	111,142
Fund balance, beginning of year	491,721	491,721	491,721	-
Fund balance, end of year	<u>\$ 400,002</u>	<u>\$ 397,036</u>	<u>\$ 503,515</u>	<u>\$ 111,142</u>



**VILLAGE OF OXFORD  
EMPLOYEE RETIREMENT SYSTEM  
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS  
LAST SIX MEASUREMENT PERIODS (ULTIMATELY TEN MEASUREMENT PERIODS WILL BE DISPLAYED)  
(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)**

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 49,628	\$ 46,153	\$ 49,046	\$ 63,101	\$ 59,811	\$ 62,748
Interest	279,845	268,845	259,814	248,267	229,045	218,175
Changes of benefit terms	1,715	1,254	(1,020)	(621)	-	-
Difference between expected and actual experience	35,540	(23,000)	(38,977)	(8,400)	(83,837)	-
Changes in assumptions	119,776	-	-	-	176,848	-
Benefit payments, including employee refunds	(157,489)	(157,490)	(151,574)	(150,391)	(150,391)	(150,391)
Other	-	-	1	-	7,158	6,817
Net Change in Total Pension Liability	329,015	135,762	117,290	151,956	238,634	137,349
Total Pension Liability, beginning	3,551,994	3,416,232	3,298,942	3,146,986	2,908,352	2,771,003
Total Pension Liability, ending	<u>\$ 3,881,009</u>	<u>\$ 3,551,994</u>	<u>\$ 3,416,232</u>	<u>\$ 3,298,942</u>	<u>\$ 3,146,986</u>	<u>\$ 2,908,352</u>
	2019	2018	2017	2016	2015	2014
Plan Fiduciary Net Position						
Contributions - employer	\$ 135,020	\$ 134,767	\$ 128,054	\$ 119,238	\$ 111,938	\$ 109,427
Contributions - employee	12,103	9,363	7,727	5,476	5,076	5,065
Net investment income (loss)	289,142	(87,877)	263,396	206,345	(28,149)	113,716
Benefit payments, including employee refunds	(157,489)	(157,490)	(151,574)	(150,391)	(150,391)	(150,391)
Administrative expense	(4,985)	(4,329)	(4,167)	(4,073)	(4,110)	(4,176)
Other	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	273,791	(105,566)	243,436	176,595	(65,636)	73,641
Plan Fiduciary Net Position, beginning	2,124,980	2,230,546	1,987,110	1,810,515	1,876,151	1,802,510
Plan Fiduciary Net Position, ending	<u>\$ 2,398,771</u>	<u>\$ 2,124,980</u>	<u>\$ 2,230,546</u>	<u>\$ 1,987,110</u>	<u>\$ 1,810,515</u>	<u>\$ 1,876,151</u>
Village's Net Pension Liability	<u>\$ 1,482,238</u>	<u>\$ 1,427,014</u>	<u>\$ 1,185,686</u>	<u>\$ 1,311,832</u>	<u>\$ 1,336,471</u>	<u>\$ 1,032,201</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	62%	60%	65%	60%	58%	65%
Covered Payroll	\$ 471,235	\$ 451,627	\$ 443,494	\$ 584,748	\$ 572,969	\$ 603,062
Village's Net Pension Liability as a percentage of Covered Payroll	314.5%	316.0%	267.4%	224.0%	233.3%	171.2%

**VILLAGE OF OXFORD  
EMPLOYEE RETIREMENT SYSTEM  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
LAST SIX FISCAL YEARS (ULTIMATELY TEN MEASUREMENT PERIODS WILL BE DISPLAYED)  
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial determined contributions	\$ 128,580	\$ 141,144	\$ 131,150	\$ 125,964	\$ 111,072	\$ 110,268
Contributions in relation to the actuarially determined contribution	<u>128,580</u>	<u>141,144</u>	<u>131,150</u>	<u>125,964</u>	<u>112,407</u>	<u>109,427</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,335)</u>	<u>\$ 841</u>
Covered payroll	\$ 467,260	\$ 458,055	\$ 485,293	\$ 557,349	\$ 594,649	\$ 565,433
Contributions as a percentage of covered payroll	28%	31%	27%	23%	19%	19%

**VILLAGE OF OXFORD  
OTHER POST-EMPLOYMENT BENEFITS  
SCHEDULE OF CHANGES IN EMPLOYER'S NET OPEB LIABILITY AND RELATED RATIOS  
LAST MEASUREMENT PERIOD (ULTIMATELY TEN MEASUREMENT PERIODS WILL BE DISPLAYED)  
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)**

	<u>2020</u>	<u>2019</u>
Total OPEB Liability		
Service cost	\$ 2,809	\$ 2,727
Interest	<u>1,303</u>	<u>1,183</u>
Net Change in Total OPEB Liability	4,112	3,910
Total OPEB Liability, beginning	<u>44,750</u>	<u>40,840</u>
Total OPEB Liability, ending	<u>\$ 48,862</u>	<u>\$ 44,750</u>
Plan Fiduciary Net Position, beginning	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position, ending	<u>\$ -</u>	<u>\$ -</u>
Village's Net OPEB Liability	<u>\$ 48,862</u>	<u>\$ 44,750</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0%	0%
Covered Payroll	\$ 278,990	\$ 269,556
Village's Net OPEB Liability as a percentage of Covered Payroll	17.5%	16.6%

**VILLAGE OF OXFORD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2020**

**NOTE 1 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Michigan Public Act 621 of 1978, Sections 18 and 19, as amended, provides that a local government unit not incur expenditures in excess of the amount appropriated.

The Village's budgeted expenditures in the General Fund have been shown at the functional classification level. The approved budgets of the Village have been adopted at the activity level for the General Fund and the total expenditure level for the Special Revenue Funds.

During the year ended June 30, 2020, the Village incurred expenditures in the General Fund in excess of the amounts appropriated as follows:

	<u>Amounts Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
General Fund			
General government			
Building and grounds	\$ 44,315	\$ 44,470	\$ 155
Public safety			
Police	807,430	824,680	17,250
Building inspection	86,743	95,007	8,264
Transfers out	278,343	315,423	37,080

**NOTE 2 - DEFINED BENEFIT PENSION PLAN**

Changes in benefit terms: The participant contribution rate was increased from 2.00% to 2.50% in plan year 2019 for general employees division and changed to 2.00% for union division.

Changes in assumptions: The discount rate decreased from 8.00% to 7.60% in the plan year 2019. The investment rate of return decreased from 7.75% to 7.60% as well. The wage inflation assumed rate decreased from 3.75% to 3.00%. With the experience study concluding in the plan year, there will be updated demographic assumptions in the following plan year involving mortality, retirement, disability, and termination rates. Those changes will go into effect during plan year 2020.

## **OTHER SUPPLEMENTARY INFORMATION**

**VILLAGE OF OXFORD  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2020**

	Special Revenue	Capital Project	
	Local Street Fund	Capital Projects Fund	Total
<b>ASSETS</b>			
Pooled cash, cash equivalents, and investments	\$ 84,654	\$ 56,056	\$ 140,710
Due from other governmental units	13,527	-	13,527
Other receivables	66	40	106
<b>TOTAL ASSETS</b>	<b>\$ 98,247</b>	<b>\$ 56,096</b>	<b>\$ 154,343</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,071	\$ -	\$ 1,071
Accrued liabilities	447	-	447
<b>TOTAL LIABILITIES</b>	<b>1,518</b>	<b>-</b>	<b>1,518</b>
<b>FUND BALANCES</b>			
Restricted			
Streets and highways	96,729	-	96,729
Assigned			
Infrastructure improvements	-	56,096	56,096
<b>TOTAL FUND BALANCES</b>	<b>96,729</b>	<b>56,096</b>	<b>152,825</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 98,247</b>	<b>\$ 56,096</b>	<b>\$ 154,343</b>

**VILLAGE OF OXFORD  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2020**

	Special Revenue	Capital Project	
	Local Street Fund	Capital Projects Fund	Total
<b>REVENUES</b>			
Intergovernmental	\$ 110,417	\$ -	\$ 110,417
Interest and rentals	1,245	877	2,122
<b>TOTAL REVENUES</b>	<b>111,662</b>	<b>877</b>	<b>112,539</b>
<b>EXPENDITURES</b>			
Current			
Public works	106,756	-	106,756
Debt service	1,998	-	1,998
<b>TOTAL EXPENDITURES</b>	<b>108,754</b>	<b>-</b>	<b>108,754</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,908</b>	<b>877</b>	<b>3,785</b>
Fund balances, beginning of year	93,821	55,219	149,040
Fund balances, end of year	<u>\$ 96,729</u>	<u>\$ 56,096</u>	<u>\$ 152,825</u>

**VILLAGE OF OXFORD  
 COMPONENT UNIT FUNDS  
 COMBINING BALANCE SHEET - DOWNTOWN DEVELOPMENT AUTHORITY (DDA)  
 JUNE 30, 2020**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash, cash equivalents, and pooled investments	\$ 38,307	\$ 353,314	\$ -	\$ 391,621
Taxes receivable, net	17,698	-	-	17,698
Other receivables	25	-	-	25
<b>TOTAL ASSETS</b>	<u><u>\$ 56,030</u></u>	<u><u>\$ 353,314</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 409,344</u></u>
<b>LIABILITIES</b>				
Accounts payable	\$ 10,184	\$ 8,900	\$ -	\$ 19,084
Accrued liabilities	1,529	-	-	1,529
Unearned revenue	17,698	-	-	17,698
<b>TOTAL LIABILITIES</b>	29,411	8,900	-	38,311
<b>FUND BALANCES</b>				
Unassigned	26,619	344,414	-	371,033
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 56,030</u></u>	<u><u>\$ 353,314</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 409,344</u></u>



**VILLAGE OF OXFORD  
 COMPONENT UNIT FUNDS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS COMBINING  
 BALANCE SHEET TO THE STATEMENT OF NET POSITION -  
 DOWNTOWN DEVELOPMENT AUTHORITY (DDA)  
 JUNE 30, 2020**

**Total fund balances - DDA governmental funds** \$ 371,033

Amounts reported for component units in the statement of net position are different because:

Capital assets used are not financial resources and therefore are not reported as assets at the fund level.

The cost of capital assets is	\$ 3,195,104	
Accumulated depreciation is	<u>(1,269,683)</u>	
Capital assets, net		1,925,421

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end.

Bonds payable and related items		<u>(519,882)</u>
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**Net position of DDA governmental activities** \$ 1,776,572

**VILLAGE OF OXFORD  
 COMPONENT UNIT FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 DOWNTOWN DEVELOPMENT AUTHORITY (DDA)  
 YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b>REVENUES</b>				
Property taxes	\$ 442,324	\$ -	\$ -	\$ 442,324
Interest	7,527	-	-	7,527
Other	5,680	-	-	5,680
<b>TOTAL REVENUES</b>	<b>455,531</b>	<b>-</b>	<b>-</b>	<b>455,531</b>
<b>EXPENDITURES</b>				
Current				
Community and economic development	255,458	-	-	255,458
Debt service	-	-	137,333	137,333
Capital outlay	-	55,586	-	55,586
<b>TOTAL EXPENDITURES</b>	<b>255,458</b>	<b>55,586</b>	<b>137,333</b>	<b>448,377</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>200,073</b>	<b>(55,586)</b>	<b>(137,333)</b>	<b>7,154</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	400,000	137,333	537,333
Transfers out	(537,333)	-	-	(537,333)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(537,333)</b>	<b>400,000</b>	<b>137,333</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(337,260)</b>	<b>344,414</b>	<b>-</b>	<b>7,154</b>
Fund balances, beginning of year	363,879	-	-	363,879
Fund balances, end of year	<u>\$ 26,619</u>	<u>\$ 344,414</u>	<u>\$ -</u>	<u>\$ 371,033</u>

**VILLAGE OF OXFORD  
 COMPONENT UNIT FUNDS  
 RECONCILIATION OF THE COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES -  
 DOWNTOWN DEVELOPMENT AUTHORITY (DDA)  
 YEAR ENDED JUNE 30, 2020**

**Net change in fund balances - total DDA governmental funds** \$ 7,154

Amounts reported in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 55,588	
Depreciation expense	<u>(112,929)</u>	
Excess of depreciation expense over capital outlay		(57,341)

Repayment of long-term debt is reported as expenditures in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Debt principal retirement		120,725
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Change in accrued interest payable		<u>989</u>
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**Change in net position of DDA governmental activities** \$ 71,527