



**VILLAGE OF OXFORD  
OAKLAND COUNTY, MICHIGAN  
ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2021**

## TABLE OF CONTENTS

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	5
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Position	14
Statement of Activities	15
<b>Fund Financial Statements</b>	
<b>Governmental Funds</b>	
Balance Sheet - Governmental Funds	16
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	18
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance with the Statement of Activities	19
<b>Proprietary Funds</b>	
Statement of Net Position - Proprietary Funds	20
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22
<b>Fiduciary Funds</b>	
Statement of Fiduciary Net Position	24
Statement of Change in Fiduciary Net Position	25
<b>Notes to the Financial Statements</b>	27
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual: General Fund	60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual: Major Street Fund	61
Schedule of Changes in Net Pension Liability and Related Ratios - MERS	62
Schedule of Contributions - MERS	63
Schedule of Changes in Total Pension Liability and Related Ratios	64
Schedule of Contributions - OPEB	65
<b>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES</b>	
<b>Nonmajor Governmental Funds</b>	
Combining Balance Sheet	67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	68
<b>Component Unit - Downtown Development Authority</b>	
Statement of Net Position	69
Statement of Activities	70
Balance Sheet - Component Unit Funds	71
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	72
Statement of Revenues, Expenditures, and Changes in Fund Balance - Component Unit Funds	73
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance with the Statement of Activities	74

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Village 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 Village of Oxford, Michigan (the "Village"), as of and for the year ended June 30, 2021, 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.

**Independent 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 of America. 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, as of June 30, 2021, 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 information, and the schedules for the pension and other post-employment benefit plans, as stated 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 and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual 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 and individual 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 5, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "Gabridge & Company". The script is cursive and fluid, with the ampersand clearly visible.

Gabridge & Company, PLC  
Grand Rapids, Michigan  
November 5, 2021

## **Management's Discussion and Analysis**

**Village of Oxford**  
**Management's Discussion and Analysis**  
**June 30, 2021**

As management of the Village of Oxford, Michigan (The "Village" or "government") we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the financial statements.

**Financial Highlights**

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$9,746,966 (net position). Of this amount, \$1,002,317 represents unrestricted net position.
- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$1,568,384, an increase of \$293,565 in comparison with the prior year. Approximately 50.9% of this amount, or \$797,709, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$797,709, or approximately 39.1% of total general fund expenditures. The general fund had an *increase* in fund balance of \$185,621 during the year.

**Overview of the Financial Statements**

The discussion and analysis provided here is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the Village's assets, deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *statement of activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future

fiscal periods (e.g., accrued but unpaid other postemployment benefits and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, police, streets, community and economic development, and recreation and culture. The business-type activities of the Village include water and sewer services.

The government-wide financial statements include not only the Village of Oxford itself (known as the primary government), but also a legally separate Downtown Development Authority for which the Village is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and major street fund, which are considered to be major funds. Data from the other funds is presented as a separate column as they are considered nonmajor funds.

The Village adopts an annual appropriated budget for the general fund and each special revenue fund. A budgetary comparison schedule for the general fund and each major special revenue fund has been provided to demonstrate compliance with these budgets.



***Proprietary Funds.*** The Village maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses enterprises funds to account for its water and sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Village's various functions.

The Village uses internal service funds to account for motor vehicle and allocating the cost to the funds that are using the resources. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, both of which are considered to be major funds of the Village. The internal service fund data is presented in the proprietary fund financial statements.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government as well as assets held in an irrevocable trust for funding the Village's retiree healthcare benefit ("OPEB"). Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Village's budgetary comparison schedules and the Villages pension and OPEB plan schedules.

This report also presents other supplementary information which includes the nonmajor fund combining and individual statements. The combining statements are presented immediately following the required supplementary information on pensions.

## Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9,746,966 at the close of the most recent fiscal year.

### Village of Oxford's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and Investments	\$ 1,765,788	\$ 1,550,707	\$ 1,228,523	\$ 1,556,918	\$ 2,994,311	\$ 3,107,625
Receivables, Net	51,570	47,951	241,271	251,846	292,841	299,797
Internal Balances	-	(157,298)	-	157,298	-	-
Due from Other Governmental Units	207,523	149,800	-	-	207,523	149,800
<b>Total Current Assets</b>	<b>2,024,881</b>	<b>1,591,160</b>	<b>1,469,794</b>	<b>1,966,062</b>	<b>3,494,675</b>	<b>3,557,222</b>
<i>Noncurrent Assets</i>						
Restricted Cash and Cash Equivalents	-	-	48,844	48,814	48,844	48,814
Capital Assets, Net	4,156,287	3,395,513	6,912,172	6,534,732	11,068,459	9,930,245
<b>Total Assets</b>	<b>6,181,168</b>	<b>4,986,673</b>	<b>8,430,810</b>	<b>8,549,608</b>	<b>14,611,978</b>	<b>13,536,281</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Charge on Bond Refunding	-	-	24,392	27,876	24,392	27,876
Pension Related	110,553	118,585	53,185	58,182	163,738	176,767
OPEB Related	2,241	-	-	-	2,241	-
<b>Total Deferred Outflows of Resources</b>	<b>112,794</b>	<b>118,585</b>	<b>77,577</b>	<b>86,058</b>	<b>190,371</b>	<b>204,643</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts Payable	101,069	88,639	63,182	47,665	164,251	136,304
Accrued Liabilities	32,629	29,113	7,374	10,897	40,003	40,010
Unearned Revenue	4,940	4,972	-	-	4,940	4,972
Accrued Interest Payable	-	-	8,511	9,190	8,511	9,190
Compensated Absences	59,797	60,164	6,630	4,582	66,427	64,746
Current Portion of Long-term Debt	100,000	100,000	239,151	94,960	339,151	194,960
<b>Total Current Liabilities</b>	<b>298,435</b>	<b>282,888</b>	<b>324,848</b>	<b>167,294</b>	<b>623,283</b>	<b>450,182</b>
<i>Noncurrent Liabilities</i>						
Long-term Debt	350,000	450,000	2,415,637	2,898,683	2,765,637	3,348,683
Net OPEB Liability	120,909	48,862	-	-	120,909	48,862
Net Pension Liability	931,833	994,367	448,296	487,871	1,380,129	1,482,238
<b>Total Liabilities</b>	<b>1,701,177</b>	<b>1,776,117</b>	<b>3,188,781</b>	<b>3,553,848</b>	<b>4,889,958</b>	<b>5,329,965</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension Related	94,720	12,808	45,567	6,283	140,287	19,091
OPEB Related	25,138	-	-	-	25,138	-
<b>Total Deferred Inflows of Resources</b>	<b>119,858</b>	<b>12,808</b>	<b>45,567</b>	<b>6,283</b>	<b>165,425</b>	<b>19,091</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	3,706,287	2,845,513	4,281,776	3,568,965	7,988,063	6,414,478
Restricted	707,742	600,244	48,844	48,814	756,586	649,058
Unrestricted	58,898	(129,424)	943,419	1,457,756	1,002,317	1,328,332
<b>Total Net Position</b>	<b>\$ 4,472,927</b>	<b>\$ 3,316,333</b>	<b>\$ 5,274,039</b>	<b>\$ 5,075,535</b>	<b>\$ 9,746,966</b>	<b>\$ 8,391,868</b>

The largest portion of the Village's net position, \$7,988,063, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The Village uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position, \$756,586, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,002,317 is unrestricted.

**Governmental Activities.** Cash and investments increased by \$215,081, primarily attributed to the increase in fund balance of \$293,565. Net capital assets increased by \$760,774 comprised of \$1,122,704 in capital asset additions less \$361,930 in depreciation.

**Business-type Activities.** Cash and investments, coupled with restricted cash and cash equivalents, decreased by \$328,365, primarily as a result capital-related purchases of \$644,613 along with routine debt service payments of another \$331,960.

**Village of Oxford's Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 476,092	\$ 529,333	\$ 1,565,764	\$ 1,541,560	\$ 2,041,856	\$ 2,070,893
Operating Grants and Contributions	525,866	474,522	-	-	525,866	474,522
Capital Grants and Contributions	1,060,729	-	18,752	16,118	1,079,481	16,118
<b>Total Program Revenues</b>	<u>2,062,687</u>	<u>1,003,855</u>	<u>1,584,516</u>	<u>1,557,678</u>	<u>3,647,203</u>	<u>2,561,533</u>
<b>General Revenues</b>						
Property Taxes	1,248,952	1,185,459	-	-	1,248,952	1,185,459
Unrestricted State Sources	401,901	296,589	-	-	401,901	296,589
Interest and Investment Earnings	17,145	28,474	9,865	23,692	27,010	52,166
<b>Total General Revenues</b>	<u>1,667,998</u>	<u>1,510,522</u>	<u>9,865</u>	<u>23,692</u>	<u>1,677,863</u>	<u>1,534,214</u>
<b>Total Revenues</b>	<u>3,730,685</u>	<u>2,514,377</u>	<u>1,594,381</u>	<u>1,581,370</u>	<u>5,325,066</u>	<u>4,095,747</u>
<b>Expenses</b>						
General Government	253,210	271,022	-	-	253,210	271,022
Public Safety	1,013,807	887,791	-	-	1,013,807	887,791
Public Works	1,136,184	987,673	-	-	1,136,184	987,673
Community and Economic Development	228,956	54,721	-	-	228,956	54,721
Recreation and Culture	87,043	85,509	-	-	87,043	85,509
Interest on Long-term Debt	12,189	13,885	-	-	12,189	13,885
Sewer and Water Operations	-	-	1,238,579	1,275,246	1,238,579	1,275,246
<b>Total Expenses</b>	<u>2,731,389</u>	<u>2,300,601</u>	<u>1,238,579</u>	<u>1,275,246</u>	<u>3,969,968</u>	<u>3,575,847</u>
<b>Changes in Net Position Before Transfers</b>	<u>999,296</u>	<u>213,776</u>	<u>355,802</u>	<u>306,124</u>	<u>1,355,098</u>	<u>519,900</u>
Transfers In (Out)	157,298	-	(157,298)	-	-	-
<b>Changes in Net Position</b>	<u>1,156,594</u>	<u>213,776</u>	<u>198,504</u>	<u>306,124</u>	<u>1,355,098</u>	<u>519,900</u>
Net Position at the Beginning of Period	3,316,333	3,102,557	5,075,535	4,769,411	8,391,868	7,871,968
<b>Net Position at the End of Period</b>	<u>\$ 4,472,927</u>	<u>\$ 3,316,333</u>	<u>\$ 5,274,039</u>	<u>\$ 5,075,535</u>	<u>\$ 9,746,966</u>	<u>\$ 8,391,868</u>

**Governmental Activities.** Governmental activities increased the Village's net position by \$1,156,594 compared to the prior year. Capital grants and contributions increased by \$1,060,729 as a result of a capital contribution from the State of Michigan and the Downtown Development Authority. Payment, or contribution, to the Downtown Development Authority also increased community and economic development expenses by \$200,000 for the Village. An increase in taxable value contributed to the \$63,493 increase in property taxes. Additional unrestricted state aid funding increased unrestricted state sources revenue by \$105,312. Changes within the pension and OPEB expense, along with routine depreciation expense, contributed to the \$127,778 increase in public safety and \$148,511 increase in public works.

**Business-type Activities.** Business-type activities increased the Village's net position by \$198,504. Water and sewer operations expenses decreased by \$36,667 compared to the prior year. Revenues showed a modest increase and the Village allocated \$157,298 of the motor equipment

funds net position to governmental activities given that the motor equipment fund primarily benefits governmental funds.

## **Financial Analysis of Governmental Funds**

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental Funds.*** The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Village's Council.

At June 30, 2021, the Village's governmental funds reported combined fund balances of \$1,568,384, an increase of \$293,565 in comparison with the prior year. Approximately 50.9%, or \$797,709, of this amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable or restricted* to indicate that it is: 1) restricted for particular purposes (\$707,742, or 45.2%, for major and local streets) or 2) assigned for capital improvements and drug forfeiture (\$62,933, or 4.0%).

The *general fund* is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the general fund was \$797,709. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents approximately 39.1% of total general fund expenditures.

The fund balance of the Village's general fund increased by \$185,621 during the current fiscal year. The Village Council monitors the expenditures of the general fund closely to ensure that spending does not exceed the Village's available resources. The general fund saw an increase in property tax and state revenues, along with an increase in community and economic development expenditures, as mentioned in an earlier section of this report. The general fund also saw a slight increase in licenses and permits revenue. In the prior year, the decrease in fund balance was caused by a significant transfer out to the municipal streets fund for debt service payments.

The *major street fund*, a major fund, increased by \$131,834 during the current fiscal year for an ending fund balance of \$635,349. Compared to the prior year, the fund saw a decrease in public works expenditures as the Village had a significant resurfacing project in the prior year.

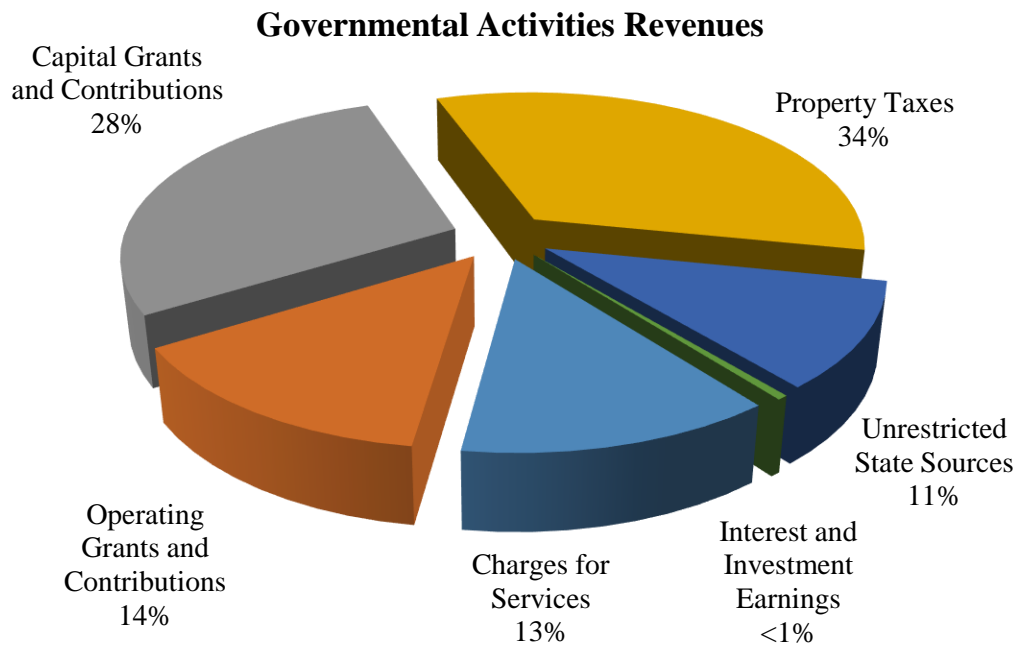
***Proprietary Funds.*** The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The water fund had an unrestricted net position of \$258,444 and the sewer fund had an unrestricted net position of \$684,975. The water fund and sewer fund both had increases in net position of

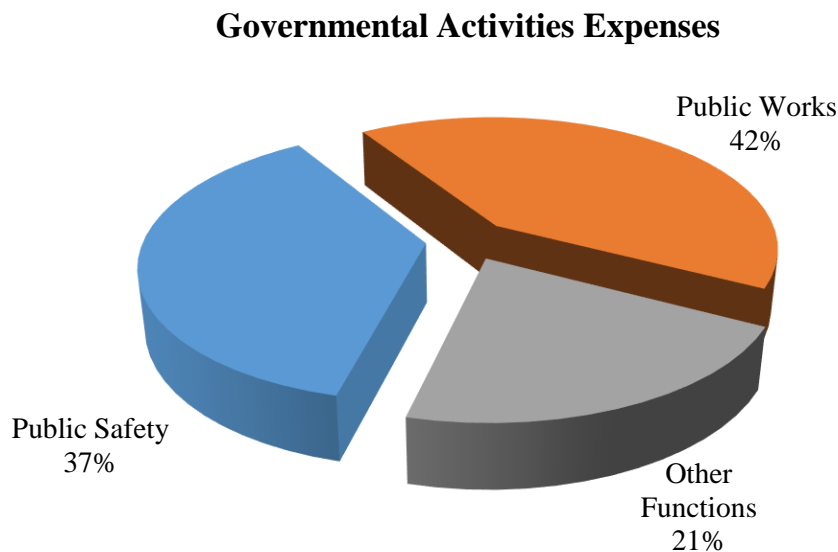
\$153,824 and \$201,978, respectively. Activity within the funds and the increases in net position were comparable with the prior year.

### Governmental Activities

The following chart summarizes the revenue sources for the governmental activities of the Village for the most recent fiscal year-end.



The following chart summarizes the expenses for the governmental activities of the Village for the most recent fiscal year-end.



## **General Fund Budgetary Highlights**

*Original budget compared to final budget.* There were no significant budget amendments to the original estimated revenues or to the original appropriated expenditures during the year.

*Final budget compared to actual results.* The Village had no expenditures in excess of the amounts appropriated as of June 30, 2021.

## **Capital Assets and Debt Administration**

**Capital assets.** The Village's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$11,068,459 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, machinery, equipment, vehicles, park facilities, sidewalks, and water and sewer infrastructure.

More detailed information about the Villages' capital assets can be found in note 4 to the financial statements.

### ***Long-term Debt***

As described in note 5 to the financial statements, the Village had \$3,104,788 in long-term debt at the end of the fiscal year, which was a decrease of \$438,555 compared to the prior year. The Village is well under its legal debt limit as of year-end.

## **Economic Condition and Outlook**

Management estimates that \$2,083,240 of revenues will be available for appropriation in the general fund in the upcoming year. The Village continues to review all budget line items for opportunities to reduce expenditures when possible. The budget will be monitored during the year to identify any necessary amendments. In 2022, the Village plans again to use current revenues to provide essential services and to maintain the Village's financial reserves at similar levels. Property tax revenues are expected to change minimally reflecting fairly stable property values. Additionally, management and the Village Council are currently working to determine the significance that the COVID-19 Pandemic will have on the Village's upcoming revenues.

## **Contacting the Village**

This financial report is designed to provide a general overview of the Village's finances to its citizens, customers, investors, and creditors and to demonstrate the Village's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

The Village of Oxford  
22 W. Burdick  
P.O. Box 94  
Oxford, MI 48371

## **Basic Financial Statements**

**Village of Oxford**  
**Statement of Net Position**  
**June 30, 2021**

	Primary Government			Component Unit -
	Governmental	Business-type	Total	DDA
	Activities	Activities		
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and Investments	\$ 1,765,788	\$ 1,228,523	\$ 2,994,311	\$ 212,998
Receivables, Net	51,570	241,271	292,841	15,539
Due from Other Governmental Units	207,523	--	207,523	--
<b>Total Current Assets</b>	<b>2,024,881</b>	<b>1,469,794</b>	<b>3,494,675</b>	<b>228,537</b>
<i>Noncurrent Assets</i>				
Restricted Cash and Cash Equivalents	--	48,844	48,844	--
Capital Assets not being Depreciated	1,595,992	709,744	2,305,736	1,395,050
Capital Assets being Depreciated, net	2,560,295	6,202,428	8,762,723	386,356
<b>Total Assets</b>	<b>6,181,168</b>	<b>8,430,810</b>	<b>14,611,978</b>	<b>2,009,943</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Charge on Bond Refunding	--	24,392	24,392	--
Pension Related	110,553	53,185	163,738	--
OPEB Related	2,241	--	2,241	--
<b>Total Deferred Outflows of Resources</b>	<b>112,794</b>	<b>77,577</b>	<b>190,371</b>	<b>--</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts Payable	101,069	63,182	164,251	86,854
Accrued Liabilities	32,629	7,374	40,003	2,041
Unearned Revenue	4,940	--	4,940	15,461
Accrued Interest Payable	--	8,511	8,511	--
Compensated Absences	59,797	6,630	66,427	--
Current Portion of Long-term Debt	100,000	239,151	339,151	58,000
<b>Total Current Liabilities</b>	<b>298,435</b>	<b>324,848</b>	<b>623,283</b>	<b>162,356</b>
<i>Noncurrent Liabilities</i>				
Long-term Debt	350,000	2,415,637	2,765,637	401,066
Net Pension Liability	931,833	448,296	1,380,129	--
Net OPEB Liability	120,909	--	120,909	--
<b>Total Liabilities</b>	<b>1,701,177</b>	<b>3,188,781</b>	<b>4,889,958</b>	<b>563,422</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related	94,720	45,567	140,287	--
OPEB Related	25,138	--	25,138	--
<b>Total Deferred Inflows of Resources</b>	<b>119,858</b>	<b>45,567</b>	<b>165,425</b>	<b>--</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	3,706,287	4,281,776	7,988,063	1,322,340
<i>Restricted for:</i>				
Streets and Highways	707,742	--	707,742	--
Debt Service	--	48,844	48,844	--
<i>Unrestricted</i>	58,898	943,419	1,002,317	124,181
<b>Total Net Position</b>	<b>\$ 4,472,927</b>	<b>\$ 5,274,039</b>	<b>\$ 9,746,966</b>	<b>\$ 1,446,521</b>

The Notes to the Financial Statements are an integral part of these Financial Statements



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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Unit - DDA
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities:								
General Government	\$ 253,210	\$ 100,972	\$ 75,160	\$ --	\$ (77,078)	\$ --	\$ (77,078)	\$ --
Public Safety	1,013,807	141,309	9,669	--	(862,829)	--	(862,829)	--
Public Works	1,136,184	233,611	435,336	--	(467,237)	--	(467,237)	--
Community and Economic Development	228,956	200	5,701	1,060,729	837,674	--	837,674	--
Recreation and Culture	87,043	--	--	--	(87,043)	--	(87,043)	--
Interest on Long-term Debt	12,189	--	--	--	(12,189)	--	(12,189)	--
Total Governmental Activities	2,731,389	476,092	525,866	1,060,729	(668,702)	--	(668,702)	--
Business-type Activities:								
Sewer Fund	591,983	788,928	--	--	--	196,945	196,945	--
Water Fund	646,596	776,836	--	18,752	--	148,992	148,992	--
Total Business-type Activities	1,238,579	1,565,764	--	18,752	--	345,937	345,937	--
Total Primary Government	\$ 3,969,968	\$ 2,041,856	\$ 525,866	\$ 1,079,481	\$ (668,702)	\$ 345,937	\$ (322,765)	--
Component Unit								
Downtown Development Authority	\$ 1,038,313	\$ 500	\$ 223,725	\$ --	--	--	--	(814,088)
Total Component Unit	\$ 1,038,313	\$ 500	\$ 223,725	\$ --	--	--	--	(814,088)
General Purpose Revenues and Transfer:								
					1,248,952	--	1,248,952	481,020
					401,901	--	401,901	--
					17,145	9,865	27,010	3,017
					157,298	(157,298)	--	--
					1,825,296	(147,433)	1,677,863	484,037
					1,156,594	198,504	1,355,098	(330,051)
					3,316,333	5,075,535	8,391,868	1,776,572
					\$ 4,472,927	\$ 5,274,039	\$ 9,746,966	\$ 1,446,521

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Oxford  
Balance Sheet  
Governmental Funds  
June 30, 2021**

		<u>Special Revenue</u>		
	<u>General</u>	<u>Major Street Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Investments	\$ 725,478	\$ 589,743	\$ 111,913	\$ 1,427,134
Receivables, Net	51,230	202	42	51,474
Due from Other Governmental Units	140,605	49,459	17,459	207,523
<b><i>Total Assets</i></b>	<b><u>\$ 917,313</u></b>	<b><u>\$ 639,404</u></b>	<b><u>\$ 129,414</u></b>	<b><u>\$ 1,686,131</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 80,358	\$ 3,463	\$ 162	\$ 83,983
Accrued Liabilities	27,915	592	317	28,824
Unearned Revenue	4,940	--	--	4,940
<b><i>Total Liabilities</i></b>	<b><u>113,213</u></b>	<b><u>4,055</u></b>	<b><u>479</u></b>	<b><u>117,747</u></b>
<b>FUND BALANCE</b>				
Restricted for Major and Local Streets	--	635,349	72,393	707,742
<i>Assigned for:</i>				
Public Safety	6,391	--	--	6,391
Capital Projects	--	--	56,542	56,542
Unassigned	797,709	--	--	797,709
<b><i>Total Fund Balance</i></b>	<b><u>804,100</u></b>	<b><u>635,349</u></b>	<b><u>128,935</u></b>	<b><u>1,568,384</u></b>
<b><i>Total Liabilities and Fund Balance</i></b>	<b><u>\$ 917,313</u></b>	<b><u>\$ 639,404</u></b>	<b><u>\$ 129,414</u></b>	<b><u>\$ 1,686,131</u></b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Oxford**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2021**

Total Fund Balance - Governmental Funds	\$ 1,568,384
Net position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements.	432,218
General government capital assets of \$15,794,192, net of accumulated depreciation of \$11,752,264, are not financial resources and, accordingly, are not reported in the funds.	4,041,928
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(59,797)
Net pension liability and related deferred amounts are not due and payable in the current period or do not represent current financial resources and, therefore, are not reported in the funds.	(916,000)
Long-term liabilities, including premium on bonds, are not due and payable in the current period and, therefore, are not reported in the funds.	(450,000)
Other postemployment benefit liability and related deferred amounts are not due and payable in the current period or do not represent current financial resources and, therefore, are not reported in the funds.	(143,806)
<b>Total Net Position - Governmental Activities</b>	<b>\$ <u>4,472,927</u></b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Oxford**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

		<u>Special Revenue</u>		
	<u>General</u>	<u>Major Street Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Property Taxes	\$ 1,248,952	\$ --	\$ --	\$ 1,248,952
Licenses and Permits	49,294	--	--	49,294
Intergovernmental	415,483	314,274	121,062	850,819
Charges for Services	274,004	--	--	274,004
Fines and Forfeitures	83,644	--	--	83,644
Interest Income and Rentals	12,170	4,735	1,173	18,078
Other Revenue	143,916	--	18,455	162,371
<b>Total Revenues</b>	<b>2,227,463</b>	<b>319,009</b>	<b>140,690</b>	<b>2,687,162</b>
<b>Expenditures</b>				
General Government	230,852	--	--	230,852
Public Safety	926,283	--	--	926,283
Public Works	568,708	108,643	130,923	808,274
Community and Economic Development	228,956	--	--	228,956
Recreation and Culture	87,043	--	--	87,043
Debt Service, Principal	--	70,000	30,000	100,000
Debt Service, Interest	--	8,532	3,657	12,189
<b>Total Expenditures</b>	<b>2,041,842</b>	<b>187,175</b>	<b>164,580</b>	<b>2,393,597</b>
<b>Excess of Revenues Over</b>				
<b>(Under) Expenditures</b>	<b>185,621</b>	<b>131,834</b>	<b>(23,890)</b>	<b>293,565</b>
<b>Net Change in Fund Balance</b>	<b>185,621</b>	<b>131,834</b>	<b>(23,890)</b>	<b>293,565</b>
<i>Fund Balance at Beginning of Period</i>	<i>618,479</i>	<i>503,515</i>	<i>152,825</i>	<i>1,274,819</i>
<b>Fund Balance at End of Period</b>	<b>\$ 804,100</b>	<b>\$ 635,349</b>	<b>\$ 128,935</b>	<b>\$ 1,568,384</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Oxford**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended June 30, 2021**

Total Net Change in Fund Balances - Governmental Funds	\$ 293,565
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements.	(17,206)
Transfer of prior years accumulated internal service fund net position previously shown in business-type activities.	157,298
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$1,060,729 exceeds depreciation expense of \$315,805.	744,924
Repayment of bond principal is an expenditure in the governmental funds but the repayment, along with the amortization the bond premiums, reduces long-term liabilities in the statement of net position.	100,000
Changes to compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.	367
The statement of activities reports changes to net pension liability and pension related deferrals as pension expense; however, the expenditures recorded on the governmental funds equals actual pension contributions.	(27,410)
The statement of activities reports changes to net OPEB liability and OPEB related deferrals as OPEB expense; however, the expenditures recorded on the governmental funds equals actual OPEB contributions.	(94,944)
<b>Changes in Net Position - Governmental Activities</b>	<b>\$ <u>1,156,594</u></b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Oxford**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and Investments	\$ 751,736	\$ 476,787	\$ 1,228,523	\$ 338,654
Receivables, Net	118,986	122,285	241,271	96
<b>Total Current Assets</b>	<b>870,722</b>	<b>599,072</b>	<b>1,469,794</b>	<b>338,750</b>
<i>Noncurrent Assets</i>				
Restricted Cash and Cash Equivalents	--	48,844	48,844	--
Capital Assets not being Depreciated	352,372	357,372	709,744	--
Capital Assets being Depreciated, net	2,411,315	3,791,113	6,202,428	114,359
<b>Total Assets</b>	<b>3,634,409</b>	<b>4,796,401</b>	<b>8,430,810</b>	<b>453,109</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Charge on Bond Refunding	--	24,392	24,392	--
Pension Related	16,636	36,549	53,185	--
<b>Total Deferred Outflows of Resources</b>	<b>16,636</b>	<b>60,941</b>	<b>77,577</b>	<b>--</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts Payable	33,784	29,398	63,182	17,086
Accrued Liabilities	3,287	4,087	7,374	3,805
Accrued Interest Payable	8,511	--	8,511	--
Compensated Absences	2,323	4,307	6,630	--
Current Portion of Long-term Debt	97,151	142,000	239,151	--
<b>Total Current Liabilities</b>	<b>145,056</b>	<b>179,792</b>	<b>324,848</b>	<b>20,891</b>
<i>Noncurrent Liabilities</i>				
Long-term Debt	1,433,718	981,919	2,415,637	--
Net Pension Liability	140,225	308,071	448,296	--
<b>Total Liabilities</b>	<b>1,718,999</b>	<b>1,469,782</b>	<b>3,188,781</b>	<b>20,891</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related	14,253	31,314	45,567	--
<b>Total Deferred Inflows of Resources</b>	<b>14,253</b>	<b>31,314</b>	<b>45,567</b>	<b>--</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	1,232,818	3,048,958	4,281,776	114,359
<i>Restricted for:</i>				
Debt Service	--	48,844	48,844	--
<i>Unrestricted</i>	684,975	258,444	943,419	317,859
<b>Total Net Position</b>	<b>\$ 1,917,793</b>	<b>\$ 3,356,246</b>	<b>\$ 5,274,039</b>	<b>\$ 432,218</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Oxford**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Fund</b>
<b>Operating Revenues</b>				
Charges for Services	\$ 788,532	\$ 770,635	\$ 1,559,167	\$ 129,876
<b>Total Operating Revenues</b>	<b>788,532</b>	<b>770,635</b>	<b>1,559,167</b>	<b>129,876</b>
<b>Operating Expenses</b>				
Personnel Services	67,575	129,730	197,305	51,521
Contractual Services	408,404	143,217	551,621	13,426
Insurance	3,559	15,660	19,219	10,678
Equipment Rental	6,236	17,691	23,927	--
Repairs and Maintenance	--	26	26	9,179
Supplies	1,030	65,862	66,892	18,820
Utilities	--	39,144	39,144	--
Depreciation	69,563	197,610	267,173	46,125
<b>Total Operating Expenses</b>	<b>556,367</b>	<b>608,940</b>	<b>1,165,307</b>	<b>149,749</b>
<b>Operating Income (Loss)</b>	<b>232,165</b>	<b>161,695</b>	<b>393,860</b>	<b>(19,873)</b>
<b>Non-Operating Revenues (Expenses)</b>				
Other Revenue	396	6,201	6,597	--
Interest and Investment Earnings	5,033	4,832	9,865	2,667
Capital Charges	--	18,752	18,752	--
Interest Expense	(35,616)	(37,656)	(73,272)	--
<b>Net Non-Operating Revenues (Expenses)</b>	<b>(30,187)</b>	<b>(7,871)</b>	<b>(38,058)</b>	<b>2,667</b>
<b>Change In Net Position</b>	<b>201,978</b>	<b>153,824</b>	<b>355,802</b>	<b>(17,206)</b>
<i>Net Position at Beginning of Period</i>	<i>1,715,815</i>	<i>3,202,422</i>	<i>4,918,237</i>	<i>449,424</i>
<b>Net Position at End of Period</b>	<b>\$ 1,917,793</b>	<b>\$ 3,356,246</b>	<b>\$ 5,274,039</b>	<b>\$ 432,218</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Oxford**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Fund</b>
<b>Cash Flows from Operating Activities</b>				
Cash Received from Charges for Service	\$ 793,547	\$ 776,195	\$ 1,569,742	\$ -
Cash Received from Interfund Services Provided	-	-	-	130,033
Cash Payments to Employees for Services and Fringe Benefits	(64,475)	(129,599)	(194,074)	(48,191)
Cash Payments to Suppliers for Good and Services	(424,528)	(260,784)	(685,312)	(36,402)
<b>Net Cash Provided by Operating Activities</b>	<b>304,544</b>	<b>385,812</b>	<b>690,356</b>	<b>45,440</b>
<b>Cash Flows from Non-capital Financing Activities</b>				
Other Revenue	396	6,201	6,597	-
<b>Net Cash Provided by Non-capital Financing Activities</b>	<b>396</b>	<b>6,201</b>	<b>6,597</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Capital Asset Purchases	(492,748)	(151,865)	(644,613)	(61,975)
Capital Charges	-	18,752	18,752	-
Principal Payments on Long-term Debt	(94,960)	(237,000)	(331,960)	-
Interest Payments on Long-term Debt	(36,295)	(37,656)	(73,951)	-
Amortization on Bonds Premium	-	(6,895)	(6,895)	-
Amortization of Deferred Charge on Bond Refunding	-	3,484	3,484	-
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(624,003)</b>	<b>(411,180)</b>	<b>(1,035,183)</b>	<b>(61,975)</b>
<b>Cash Flows from Investing Activities</b>				
Interest and Investment Earnings	5,033	4,832	9,865	2,667
<b>Net Cash Provided by Investing Activities</b>	<b>5,033</b>	<b>4,832</b>	<b>9,865</b>	<b>2,667</b>
<b>Net Decrease in Cash and Investments</b>	<b>(314,030)</b>	<b>(14,335)</b>	<b>(328,365)</b>	<b>(13,868)</b>
<i>Cash and Investments - Beginning of Year</i>	<i>1,065,766</i>	<i>539,966</i>	<i>1,605,732</i>	<i>352,522</i>
<b>Cash and Investments - End of Year</b>	<b>\$ 751,736</b>	<b>\$ 525,631</b>	<b>\$ 1,277,367</b>	<b>\$ 338,654</b>

The Notes to the Financial Statements are an integral part of these Financial Statements



**Village of Oxford**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
			<b>Total Enterprise Funds</b>	<b>Internal Service Fund</b>
	<b>Sewer Fund</b>	<b>Water Fund</b>		
<b>Statement of Net Position Classification of</b>				
<b>Cash and Investments:</b>				
Cash and Investments	\$ 751,736	\$ 476,787	\$ 1,228,523	\$ 338,654
Restricted Cash and Cash Equivalents	-	48,844	48,844	-
<b>Total Cash and Investments</b>	<u>\$ 751,736</u>	<u>\$ 525,631</u>	<u>\$ 1,277,367</u>	<u>\$ 338,654</u>
 <b>Reconciliation of Operating Income (Loss) to</b>				
<b>Net Cash Provided by Operating Activities</b>				
Operating Income (Loss)	\$ 232,165	\$ 161,695	\$ 393,860	\$ (19,873)
<b>Adjustments to Reconcile Operating Income (Loss) to</b>				
<b>Net Cash Provided by Operating Activities</b>				
Depreciation Expense	69,563	197,610	267,173	46,125
<b>Changes in Assets, Liabilities, and Deferred Items</b>				
Receivables, Net	5,015	5,560	10,575	157
Accounts Payable	(5,299)	20,816	15,517	15,701
Accrued Liabilities	738	(4,261)	(3,523)	3,330
Compensated Absences	888	1,160	2,048	-
Net Pension Liability and Related Deferred Items	1,474	3,232	4,706	-
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 304,544</u>	<u>\$ 385,812</u>	<u>\$ 690,356</u>	<u>\$ 45,440</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Oxford**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

	<b>OPEB Trust Fund</b>	<b>Custodial Fund</b>
<b>ASSETS</b>		
Cash and Investments	\$ --	\$ 7,979
Retiree Health Funding Vehicle Assets	14,734	--
<i><b>Total Assets</b></i>	<u>14,734</u>	<u>7,979</u>
<b>LIABILITIES</b>		
<i><b>Total Liabilities</b></i>	<u>--</u>	<u>--</u>
<b>NET POSITION</b>		
Restricted for OPEB Benefits	14,734	--
Restricted for Individuals, Organizations, and Other Governments	<u>\$ --</u>	<u>\$ 7,979</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Oxford**  
**Statement of Change in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2021**

	<b>OPEB Trust Fund</b>	<b>Custodial Fund</b>
<b>Additions</b>		
Employer Contributions	\$ 14,112	\$ --
Interest, Dividends, and Other Investment Gains	628	4
<b><i>Total Additions</i></b>	<b>14,740</b>	<b>4</b>
<b>Deductions</b>		
Retirement Benefits	--	--
Administration Expense	6	--
<b><i>Total Deductions</i></b>	<b>6</b>	<b>--</b>
<b><i>Change in Net Position</i></b>		<b>4</b>
<i>Net Position at Beginning of Period</i>	--	7,975
<b><i>Net Position at End of Period</i></b>	<b>\$ 14,734</b>	<b>\$ 7,979</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

## **Notes to the Financial Statements**

## **Village of Oxford**

### **Notes to the Financial Statements**

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#### **Note 1 - Summary of Significant Accounting Policies**

The Village of Oxford (the “Village” or “government”) is a municipal corporation governed by an elected Council (five members, who are elected at large every two years for overlapping four-year terms) and provides services to its residents in many areas including general government, law enforcement, highways and streets development and maintenance, parks and recreation, and utilities services. 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:

## **Village of Oxford**

### **Notes to the Financial Statements**

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#### ***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.

#### ***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 \$2,906 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 \$14,924 during the fiscal year.

#### ***Basis of Presentation***

##### ***Government-wide and Fund 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

## Village of Oxford

### Notes to the Financial Statements

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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.

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:

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.

The *Major Street Fund* accounts for the financial resources that are restricted for repairs and maintenance of the Village's major streets.

The Village reports the following major enterprise funds:

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.

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.

Additionally, the Village reports the following fund types:

An internal service fund to account for the costs associated with the Village's vehicle fleet, which is the *Motor Equipment Fund*.

## Village of Oxford

### Notes to the Financial Statements

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

Special revenue funds, which account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Capital projects funds, which account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital improvements.

Debt service funds account for the servicing of long-term debt not being financed by proprietary funds.

The *OPEB trust fund* is used to account for the assets accumulated in an irrevocable trust (the MERS Retiree Health Funding Vehicle) to fund the Village's OPEB Plan which provides OPEB benefits to eligible Village employees.

#### ***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.

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



## Village of Oxford

### Notes to the Financial Statements

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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 funds, and fiduciary funds 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.

#### **Financial Statement Presentation – Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity**

##### ***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

## **Village of Oxford**

### **Notes to the Financial Statements**

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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.

- 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.

Investments are stated at fair market value.

#### ***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.

#### ***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.

#### ***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.

## Village of Oxford

### Notes to the Financial Statements

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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, 2021, the Village levied 10.6200 mills per \$1,000 of taxable valuation for general governmental services. The total taxable value for the 2020 levy for property within the Village was \$134,637,350.

#### ***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.

#### ***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 value on the date received. The Village has chosen to retroactively report infrastructure assets.

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:

	<b><u>Years</u></b>
Land Improvements	5 - 25
Buildings	5 - 25
Vehicles	2 - 10
Office Equipment and Furniture	5 - 10
Public Domain Infrastructure	15 - 25
Water and Sewer Transmission and Distribution	10 - 40
Machinery and Equipment	5 - 10

The Village reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred, the asset is written down to its net realizable value and a current charge to income is recognized.

## Village of Oxford

### Notes to the Financial Statements

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#### ***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. A liability for these amounts is reported in governmental funds only if they have maturity, for example, as a result of employee resignations and retirements.

#### ***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 net OPEB liability and are related to differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on pension/OPEB plan investments, and contributions subsequent to the measurement date.

## **Village of Oxford**

### **Notes to the Financial Statements**

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

#### ***Pension***

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to the pension, 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.

#### ***Other Post-employment Benefits***

The Village records a total OPEB liability calculated by the actuary. For the purpose of measuring the total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Village's Retiree Health Care Plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

#### ***Net Position Flow Assumption***

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### ***Fund Balance Classification***

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.

## Village of Oxford

### Notes to the Financial Statements

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*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 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.

#### ***Fund Balance Flow Assumption***

The Village 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.

#### ***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.

The Village presented a transfer, only on its government-wide statements, from its business-type activities to its governmental activities of \$157,298 to allocate the prior net position associated with its internal service fund.

## **Village of Oxford**

### **Notes to the Financial Statements**

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#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

#### **Note 2 - Stewardship, Compliance, and Accountability**

##### ***Budgetary 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.

- 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.

##### ***Excess of Expenditures over Budget***

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. Budgetary control is exercised at the activity level in the general fund and the function level in other funds.

## Village of Oxford

### Notes to the Financial Statements

The Village had no expenditures in excess of the amounts appropriated during the year ended June 30, 2021.

#### Note 3 - Deposits and Investments

Following is a reconciliation of deposit and investment balances as of June 30, 2021:

	<b>Primary Government</b>	<b>Component Units</b>	<b>Totals</b>
<b>Statement of Net Position</b>			
Cash and Investments	\$ 2,994,311	\$ 212,998	\$ 3,207,309
Restricted Cash	48,844	-	48,844
<b>Statement of Fiduciary Net Position</b>			
Cash and Investments	7,979	-	7,979
<b><i>Total Cash and Investments</i></b>	<b><u>\$ 3,051,134</u></b>	<b><u>\$ 212,998</u></b>	<b><u>\$ 3,264,132</u></b>

<b>Deposits and Investments</b>		
Checking and Savings Accounts	\$	300,073
Investments (Oakland County Government Investment Pool)		2,963,759
Cash on Hand		300
<b><i>Total Deposits and Investments</i></b>	<b><u>\$</u></b>	<b><u>3,264,132</u></b>

#### ***Custodial Credit Risk - Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits might not be returned. State law does not require, and the Village does not have a policy for deposit custodial credit risk. As of year-end, \$57,296 of the Village's bank balance of \$312,857 was exposed to custodial credit risk because it was uninsured and uncollateralized. Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the Village believes it is impractical to insure all bank deposits. As a result, the Village evaluates each financial institution with which it deposits Village funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

#### ***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



## **Village of Oxford**

### **Notes to the Financial Statements**

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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 Measurement***

The Village is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the Village's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

## Village of Oxford

### Notes to the Financial Statements

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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. The Village had no net assets measured at Level 1 to Level 3 as of June 30, 2021.

#### ***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.

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.

As of June 30, 2021 the assets held with the Oakland County Government Investment Pool had a fair value of \$2,963,759, no unfunded commitments, no restrictions on redemption frequency, and no redemption notice period.

# Village of Oxford

## Notes to the Financial Statements

### Note 4 - Capital Assets

#### *Primary Government*

Capital assets activity for governmental activities for the year ended June 30, 2021 were as follows:

#### *Governmental Activities*

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b>Capital Assets not being Depreciated</b>				
Land	\$ 553,448	\$ -	\$ -	\$ 553,448
Construction in Progress	-	1,042,544	-	1,042,544
<b>Subtotal</b>	<b>553,448</b>	<b>1,042,544</b>	<b>-</b>	<b>1,595,992</b>
<b>Capital Assets being Depreciated</b>				
Buildings	1,507,958	-	-	1,507,958
Land Improvements	25,428	18,184	-	43,612
Street Lighting	70,550	-	-	70,550
Equipment and Furniture	992,749	19,711	-	1,012,460
Vehicles	842,134	42,265	(19,504)	864,895
Infrastructure	12,431,626	-	-	12,431,626
<b>Subtotal</b>	<b>15,870,445</b>	<b>80,160</b>	<b>(19,504)</b>	<b>15,931,101</b>
<b>Less Accumulated Depreciation</b>				
Buildings	(1,344,779)	(44,654)	-	(1,389,433)
Land Improvements	(25,428)	(152)	-	(25,580)
Street Lighting	(70,550)	-	-	(70,550)
Equipment and Furniture	(926,744)	(19,048)	-	(945,792)
Vehicles	(683,217)	(31,384)	19,504	(695,097)
Infrastructure	(9,977,662)	(266,692)	-	(10,244,354)
<b>Subtotal</b>	<b>(13,028,380)</b>	<b>(361,930)</b>	<b>19,504</b>	<b>(13,370,806)</b>
<b>Capital Assets being Depreciated, Net</b>	<b>2,842,065</b>	<b>(281,770)</b>	<b>-</b>	<b>2,560,295</b>
<b>Capital Assets, Net</b>	<b>\$ 3,395,513</b>	<b>\$ 760,774</b>	<b>\$ -</b>	<b>\$ 4,156,287</b>

Depreciation expense was charged to the following functions of the governmental activities:

General Government	\$ 22,725
Public Safety	26,387
Public Works	266,693
Motor Pool	46,125
	<u>\$ 361,930</u>

# Village of Oxford

## Notes to the Financial Statements

### ***Business-type Activities***

Capital assets activity for business-type activities for the year ended June 30, 2021 were as follows:

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b>Capital Assets not being Depreciated</b>				
Land	\$ 709,744	\$ -	\$ -	\$ 709,744
<b>Capital Assets being Depreciated</b>				
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	3,427,233	492,748	-	3,919,981
Machinery and Equipment	507,747	151,865	-	659,612
<b>Subtotal</b>	<b>14,680,107</b>	<b>644,613</b>	<b>-</b>	<b>15,324,720</b>
<b>Less Accumulated Depreciation</b>				
Land Improvements	(34,727)	-	-	(34,727)
Buildings	(990,110)	(63,972)	-	(1,054,082)
Office Equipment and Furniture	(22,154)	-	-	(22,154)
Water Supply System Improvements	(3,328,959)	(116,648)	-	(3,445,607)
Village Lateral Lines	(2,670,322)	-	-	(2,670,322)
Paint Creek Interceptor	(1,439,103)	(69,563)	-	(1,508,666)
Machinery and Equipment	(369,744)	(16,990)	-	(386,734)
<b>Subtotal</b>	<b>(8,855,119)</b>	<b>(267,173)</b>	<b>-</b>	<b>(9,122,292)</b>
<b>Capital Assets being Depreciated, Net</b>	<b>5,824,988</b>	<b>377,440</b>	<b>-</b>	<b>6,202,428</b>
<b>Capital Assets, Net</b>	<b>\$ 6,534,732</b>	<b>\$ 377,440</b>	<b>\$ -</b>	<b>\$ 6,912,172</b>

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

Water System	\$ 197,610
Sewer System	69,563
	<u>\$ 267,173</u>

## Village of Oxford

### Notes to the Financial Statements

#### ***Component Unit***

##### ***Downtown Development Authority***

Capital assets activity for the Downtown Development Authority, a discretely presented component unit, for the year ended June 30, 2021 were as follows:

<b>Downtown Development Authority</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b>Capital Assets not being Depreciated</b>				
Land	\$ 1,395,050	\$ -	\$ -	\$ 1,395,050
Construction in Progress	55,588	-	(55,588)	-
<b>Subtotal</b>	<b>1,450,638</b>	<b>-</b>	<b>(55,588)</b>	<b>1,395,050</b>
<b>Capital Assets being Depreciated</b>				
Land Improvements	1,642,971	-	-	1,642,971
Street Lighting	84,181	-	-	84,181
Equipment and Furniture	17,314	24,710	-	42,024
<b>Subtotal</b>	<b>1,744,466</b>	<b>24,710</b>	<b>-</b>	<b>1,769,176</b>
<b>Less Accumulated Depreciation</b>				
Land Improvements	(1,188,163)	(108,936)	-	(1,297,099)
Street Lighting	(64,206)	(3,995)	-	(68,201)
Equipment and Furniture	(17,314)	(206)	-	(17,520)
<b>Subtotal</b>	<b>(1,269,683)</b>	<b>(113,137)</b>	<b>-</b>	<b>(1,382,820)</b>
<b>Capital Assets being Depreciated, Net</b>	<b>474,783</b>	<b>(88,427)</b>	<b>-</b>	<b>386,356</b>
<b>Capital Assets, Net</b>	<b>\$ 1,925,421</b>	<b>\$ (88,427)</b>	<b>\$ (55,588)</b>	<b>\$ 1,781,406</b>

Depreciation expense was charged to the community and economic development function of the Downtown Development Authority.

#### **Note 5 - Long-term Obligations**

The following is a summary of changes in long-term obligations (including current portion) of the Village for the year ended June 30, 2021:

##### ***Primary Government***

##### ***Governmental Activities***

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Other Debt</b>				
General Obligation Bonds				
2015 Capital Improvement Bonds	\$ 550,000	\$ (100,000)	\$ 450,000	\$ 100,000
<b>Compensated Absences</b>	<b>60,164</b>	<b>(367)</b>	<b>59,797</b>	<b>59,797</b>
<b>Total Governmental Activities</b>	<b>\$ 610,164</b>	<b>\$ (100,367)</b>	<b>\$ 509,797</b>	<b>\$ 159,797</b>

# Village of Oxford

## Notes to the Financial Statements

### Business-type Activities

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Direct Borrowings and Direct Placements</b>					
2010 Oakland - Macomb Drain Bonds	\$ 183,237	\$ -	\$ (14,661)	\$ 168,576	\$ 15,006
2011 Oakland - Macomb Drain Bonds	270,289	-	(16,377)	253,912	16,800
2013 Oakland - Macomb Drain Bonds	618,080	-	(35,740)	582,340	36,464
2014A Oakland - Macomb Drain Bonds	91,787	-	(5,007)	86,780	5,086
2015 Oakland - Macomb Drain Bonds	192,640	-	(9,889)	182,751	10,160
2017 Clinton River WRRF Drain Bonds	221,097	-	(9,204)	211,893	9,438
2019 Refunding Bonds	48,699	-	(4,082)	44,617	4,197
<i>Total Direct Borrowings and Direct Placements</i>	<u>1,625,829</u>	<u>-</u>	<u>(94,960)</u>	<u>1,530,869</u>	<u>97,151</u>
<b>Other Debt</b>					
General Obligation Bonds					
2008 Refunding Bonds	95,000	-	(95,000)	-	-
2017 Capital Improvement Refunding Bonds	1,217,650	-	(142,000)	1,075,650	142,000
2017 Capital Improvement Refunding Bonds Premium	55,164	-	(6,895)	48,269	-
<i>Total Other Debt</i>	<u>1,367,814</u>	<u>-</u>	<u>(243,895)</u>	<u>1,123,919</u>	<u>142,000</u>
<i>Total Bond Obligations</i>	<u>2,993,643</u>	<u>-</u>	<u>(338,855)</u>	<u>2,654,788</u>	<u>239,151</u>
<b>Compensated Absences</b>	4,582	2,048	-	6,630	6,630
<i>Total Business-type Activities</i>	<u>\$ 2,998,225</u>	<u>\$ 2,048</u>	<u>\$ (338,855)</u>	<u>\$ 2,661,418</u>	<u>\$ 245,781</u>

### Component Unit

#### Downtown Development Authority

<b>Downtown Development Authority</b>	<b>Beginning Balance</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Other Debt</b>				
General Obligation Bonds				
2017 Capital Improvement Refunding Bonds	\$ 497,350	\$ (58,000)	\$ 439,350	\$ 58,000
2017 Capital Improvement Refunding Bonds Premium	22,532	(2,816)	19,716	-
<i>Total Other Debt</i>	<u>519,882</u>	<u>(60,816)</u>	<u>459,066</u>	<u>58,000</u>
<i>Total Downtown Development Authority</i>	<u>\$ 519,882</u>	<u>\$ (60,816)</u>	<u>\$ 459,066</u>	<u>\$ 58,000</u>

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

### Primary Government

#### Governmental Activities

\$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.

\$ 450,000

## Village of Oxford

### Notes to the Financial Statements

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#### ***Business-type Activities***

\$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.	\$ 168,576
\$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.	253,912
\$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.	582,340
\$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.	86,780
\$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.	182,751
\$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.	211,893
\$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.	44,617
\$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.	1,075,650
<i>Total Business-type Activities</i>	<u>\$ 2,606,519</u>

#### ***Component Unit***

##### ***Downtown Development Authority***

\$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.	<u>\$ 439,350</u>
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## Village of Oxford

### Notes to the Financial Statements

#### *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 \$59,797 in the governmental activities and \$6,630 in the business-type activities at June 30, 2021. 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 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, 2021, bonds due and payable through July 1, 2028, for the 2008A Capital Improvement Bonds - Water Fund in the amount of \$1,095,000 and for 2008 Capital Improvement Bonds - DDA Fund in the amount of \$450,000 are considered defeased.

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		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 100,000	\$ 10,926	\$ 110,926	\$ 239,151	\$ 71,609	\$ 310,760
2023	100,000	8,575	108,575	241,469	61,098	302,567
2024	125,000	6,125	131,125	243,984	54,571	298,555
2025	125,000	3,063	128,063	260,591	47,987	308,578
2026	-	-	-	266,567	41,107	307,674
2027 - 2031	-	-	-	902,134	103,683	1,005,817
2032 - 2036	-	-	-	410,387	17,604	427,991
2036 - 2039	-	-	-	42,236	-	42,236
Totals:	\$ 450,000	\$ 28,689	\$ 478,689	\$ 2,606,519	\$ 397,659	\$ 3,004,178



## Village of Oxford

### Notes to the Financial Statements

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Year Ending June 30,	Downtown Development Authority		
	Principal	Interest	Total
2022	\$ 58,000	\$ 14,051	\$ 72,051
2023	58,000	12,311	70,311
2024	58,000	10,571	68,571
2025	63,800	8,831	72,631
2026	65,250	7,004	72,254
2027 - 2031	136,300	9,200	145,500
Totals:	\$ 439,350	\$ 61,968	\$ 501,318

#### Note 6 - Defined Benefit Pension Plan

##### *General Information about the Plan*

*Plan Description.* The primary government participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability, and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. Public Act 427 of 1984, as amended, establishes, and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the 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 the Financial Statements

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.

#### ***Employees Covered by Benefit Terms***

At the December 31, 2020, measurement date, plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	8
Inactive Plan Members Entitled To But Not Yet Receiving Benefits	8
Active Plan Members	8
<b><i>Total Employees Covered By MERS</i></b>	<b><u>24</u></b>

*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 Village may establish contribution rates to be paid by its covered employees. Covered employee contributions are expressed as a percentage of payroll, where applicable. Employer contributions are expressed as a percentage of payroll.

For the year ended June 30, 2021, 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 \$8,547 per month for the general employee division, \$2,077 for the union division, and \$480 per month for active employees hired after July 1, 2012.

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020.

## Village of Oxford

### Notes to the Financial Statements

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*Actuarial Assumptions.* The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00%, long-term
Investment rate of return	7.35%, net of investment expense including inflation

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates were based on the following tables:

Preretirement mortality:

1. 100 percent of Pub-2010 Juvenile Mortality Tables for Ages 0-17
2. 100 percent of PubG-2010 Employee Mortality Tables for Ages 18-80
3. 100 percent of PubG-2010 Healthy Retiree Tables for Ages 81-120

Nondisabled retired plan members and beneficiaries:

1. 106 percent of Pub-2010 Juvenile Mortality Tables for Ages 0-17
2. 106 percent of PubG-2010 Employee Mortality Tables for Ages 18-49
3. 106 percent of PubG-2010 Healthy Retiree Tables for Ages 50-120

Disabled retired plan members:

1. 100 percent of Pub-2010 Juvenile Mortality Tables for Ages 0-17
2. 100 percent of PubNS-2010 Disabled Retiree Tables for Ages 18-120

The December 31, 2019 actuarial valuation included assumptions of 3.75 percent for salary increases and utilized mortality rates based on a 50 percent male and 50 percent female blend of RP-2014 Mortality Tables. The remaining assumptions were consistent with the current year's valuation assumptions.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

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

## Village of Oxford

### Notes to the Financial Statements

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expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Global Equity	60.00%	5.25%
Global Fixed Income	20.00%	1.25%
Private Investments	20.00%	7.25%

*Discount Rate.* The discount rate used to measure the total pension liability is 7.60%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. 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. 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.

#### ***Changes in Net Pension Liability***

The components of the change in the net pension liability are summarized as follows:

# Village of Oxford

## Notes to the Financial Statements

	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2019</b>	\$ 3,881,009	\$ 2,398,771	\$ 1,482,238
<i>Changes for the Year:</i>			
Service Cost	46,987	-	46,987
Interest on Total Pension Liability	290,730	-	290,730
Differences Between Expected and Actual Experience	(48,233)	-	(48,233)
Changes of Assumptions	90,684	-	90,684
Employer Contributions	-	130,914	(130,914)
Employee Contributions	-	12,743	(12,743)
Net Investment Income	-	343,463	(343,463)
Benefit Payments, Including Refunds	(158,206)	(158,206)	-
Administrative Expenses	-	(4,843)	4,843
<i>Net Changes</i>	221,962	324,071	(102,109)
<b>Balance at December 31, 2020</b>	<b>\$ 4,102,971</b>	<b>\$ 2,722,842</b>	<b>\$ 1,380,129</b>
	<b>Allocated to:</b>		
		Governmental Activities	\$ 931,833
		Business-type Activities	448,296
		<b>Total</b>	<b>\$ 1,380,129</b>

*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 rate of 7.60%, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.60%) or 1% higher (8.60%) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
Net Pension Liability of the Village	\$ 1,875,687	\$ 1,380,129	\$ 960,746

### ***Pension Expense and Deferred Outflows/Inflows of Resources Related to the Pension***

For the year ended June 30, 2021, the Village recognized pension expense of \$165,363.

## Village of Oxford

### Notes to the Financial Statements

The Village reported pension-related deferred outflows/inflows of resources from the following sources:

<b>Source</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	\$ -	\$ 116,170
Net Differences Between Expected and Actual Experience	11,847	24,117
Changes of Assumptions	85,267	-
Employer Contributions to the Plan Subsequent to the Measurement Date*	66,624	-
<b>Total</b>	<b>\$ 163,738</b>	<b>\$ 140,287</b>

<b>Allocated to:</b>		
Governmental Activities	\$ 110,553	\$ 94,720
Business-type Activities	53,185	45,567
<b>Total</b>	<b>\$ 163,738</b>	<b>\$ 140,287</b>

\* 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, 2022.

Amounts reported as pension-related deferred outflows/inflows of resources will be recognized in pension expense as follows:

<b>Fiscal Year</b>	<b>Amount</b>
<b>Ending</b>	
2022	\$ 48,745
2023	(3,208)
2024	(56,330)
2025	(32,380)

#### ***Significant Changes to the Pension Valuation***

At the February 27, 2020, board meeting, the MERS Retirement Board adopted demographic assumptions effective with the December 31, 2020, annual actuarial valuation, which will impact contributions beginning in 2022. A 5-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates. Changes to the demographic assumptions resulting from the experience study have been approved by the MERS Retirement Board and are effective beginning with the December 31, 2020, actuarial valuation, first impacting 2022 contributions.

## **Village of Oxford**

### **Notes to the Financial Statements**

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#### ***Statement of Fiduciary Net Position***

As of June 30, 2021, the Village had a payable of \$12,188 due to MERS for employer and employee contributions. Detailed information about the pension plan's fiduciary net position is available in the separately issued MERS financial report.

#### **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 ended June 30, 2021 were \$33,448.

#### **Note 8 - Other Post-Employment Benefits**

##### ***Plan Description***

The Village of Oxford 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***

###### ***Eligibility***

Full-time employees who have completed thirty (30) full years of credited service with the Village of Oxford (inclusive of any years of service they completed with the Oxford Emergency Safety Authority and/or the Oxford Police, Fire and EMS Commission) and who retire in good standing and for non-disciplinary reasons will be eligible to continue participation in the group health insurance plan which is available to active full-time employees, until such time as the retire first becomes eligible for Medicare, by paying the premiums to maintain such coverage

###### ***Police***

The Village shall pay a portion of the group health insurance premiums for eligible retirees in an amount not to exceed \$210 per month; At the time the retiree first becomes eligible for Medicare benefits, the eligibility for coverage in the Villages' group plan for active employees under this

## Village of Oxford

### Notes to the Financial Statements

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Paragraph shall cease, and the Village will reimburse the retiree for actual premium costs paid by the retiree for Part B coverage or pay the retiree \$210 per month for reimbursement of Part B coverage premiums, whichever is less

#### *DPW*

For employees hired before January 1, 2010 who meet the Village of Oxford MERS plan retirement requirement (age 55 with 30 years of service or age 60 with 10 years) and retire in good standing with 20 years of service, the Village will provide a \$130 per month healthcare stipend upon retirement; For employees hired before January 1, 2010 who meet the Village of Oxford MERS plan retirement requirement and retire in good standing with 30 years of service, the Village will provide a \$210 per month healthcare stipend upon retirement; At the time the retiree first becomes eligible for Medicare benefits, the eligibility for coverage in the Villages' group plan for active employees under this Paragraph shall cease, and the Village will reimburse the retiree for actual premium costs paid by the retiree for Part B coverage or pay the retiree \$130/\$210 per month depending on service for reimbursement of Part B coverage premiums, whichever is less

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (June 30, 2021):

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	-
Inactive Plan Members Entitled To But Not Yet Receiving Benefits	-
Active Plan Members	<u>11</u>
<b><i>Total Employees Covered By the Plan</i></b>	<b><u>11</u></b>

#### *Contributions*

The Village of Oxford OPEB was established and is being funded under the authority of the Village and under agreements with the unions representing various classes of employees. The plan's funding policy is that the employer will contribute \$20,000 annually for the next five years followed by \$10,000 annually until the plan is funded. In addition, the employer will continue to pay retiree healthcare benefits on a pay-as-you-go basis. There are no long-term contracts for contributions to the plan. The plan has no legally required reserves.



## Village of Oxford

### Notes to the Financial Statements

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#### ***Methods and Assumptions***

The total OPEB liability was determined by an actuarial valuation as of June 31, 2021, and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.50% for purposes of allocating liabilities
Investment Rate of Return	7.35% including inflation
20-year Aa Municipal Bond Rate	2.18%
Mortality	Pub 2010 Public Retirement Plans Headcount weighted Mortality Tables for public safety employees, annuitant and non-annuitant, sex-distinct with mortality improvement scale MP-2020

#### ***Discount Rate***

The discount rate used to measure the total OPEB liability is 7.35%. The projection of cash flows used to determine the discount rate assumed that together with benefits paid from general operating funds and contributions to the OPEB trust, assets would ultimately be sufficient to pay plan benefits. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the “depletion date” or “cross over point”), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. The discount rate used for the June 30, 2020 was 3.0%.

#### ***Investment Rate of Return***

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

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-term Expected Real Rate of Return</u></b>
Global Equity	60.00%	5.25%
Global Fixed Income	20.00%	1.25%
Private Assets	20.00%	7.25%

# Village of Oxford

## Notes to the Financial Statements

The sum of each target allocation times its long-term expected real rate, plus inflation, is 7.35%.

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
<b>Balance at June 30, 2020</b>	\$ 48,862	\$ -	\$ 48,862
<i>Changes for the Year:</i>			
Service Cost	2,991	-	2,991
Interest on Total Pension Liability	1,556	-	1,556
Changes to Benefit Terms	106,586	-	106,586
Differences Between Expected and Actual Experience	2,419	-	2,419
Changes of Assumptions	(26,771)	-	(26,771)
Employer Contributions	-	14,112	(14,112)
Net Investment Income	-	628	(628)
Administrative Expenses	-	(6)	6
<i>Net Changes</i>	86,781	14,734	72,047
<b>Balance at June 30, 2021</b>	<b>\$ 135,643</b>	<b>\$ 14,734</b>	<b>\$ 120,909</b>

### *Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the net OPEB liability of the employer, calculated using the discount rate of 7.35%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower or higher than the current rate:

	1% Decrease (6.35%)	Current Rate (7.35%)	1% Increase (8.35%)
Net OPEB Liability	\$ 138,026	\$ 120,909	\$ 106,432

### *Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The Village's Plan provides a fixed dollar amount for the healthcare cost trend rate.

## Village of Oxford

### Notes to the Financial Statements

#### ***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB Plan***

For the year ended June 30, 2021, the employer recognized OPEB expense of \$109,055. The employer reported deferred outflows and deferred inflows of resources related to OPEB in the current year from the following sources:

<b>Source</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net Differences Between Expected and Actual Experience	\$ 2,241	\$ -
Changes of Assumptions	-	24,804
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	-	334
<b>Total</b>	<b>\$ 2,241</b>	<b>\$ 25,138</b>

Amounts reported as deferred outflows/inflows of resources will be recognized in OPEB expense as follows:

<b>Fiscal Year Ending</b>	<b>Amount</b>
2022	\$ (1,873)
2023	(1,873)
2024	(1,873)
2025	(1,873)
2026	(1,789)
Thereafter	(13,616)

#### ***Significant Changes to the OPEB Valuation***

The Plan's mortality improvement scale was updated from MP-2018 to MP-2020 while the discount rate increased from 3.00% to 7.35% to reflect the establishment of an OPEB trust. In addition, the Village added department of public works employees who were hired prior to January 1, 2010 to the Plan.

#### **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

## Village of Oxford

### Notes to the Financial Statements

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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, 2021:

<b>Revenues</b>	
Permits	<u>\$ 35,728</u>
<b>Expenditures</b>	
Salaries and Wages	48,752
Fringe Benefits	10,142
Contracted Services	29,083
Supplies and Other	<u>136</u>
<i>Total Expenditures</i>	<u>88,113</u>
Excess of Revenues	
(Under) Expenditures	<u>\$ (52,385)</u>
Prior Cumulative Excess of Revenues	
(Under) Expenditures	<u>(150,915)</u>
Cumulative Excess of Revenues	
(Under) Expenditures	<u>\$ (203,300)</u>

#### Note 11 - Subsequent Events

During the 2020-2021 fiscal year, the Village's operations were not significantly impacted by sheltering in place or government mandates. The Village remained open for the entire time with the exception of closing the first two weeks to "slow the curve". By mid-May 2020, the Village was open full time but implemented safety measures by limiting building access, requiring visitor sign in contact information, providing PPE equipment, hand sanitizers, daily health checks and daily cleaning. The workforce was unimpacted because of the nature of how the office is configured and the low number of employees on staff. The Village closely monitored cash balances and implemented cost reduction measures whenever possible without exception. Though State Revenue Sharing was slightly reduced, it had a minor impact on the Village budget.

## **Village of Oxford**

### **Notes to the Financial Statements**

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#### **Note 12 - 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.

## **Required Supplementary Information**

**Village of Oxford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2021**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Property Taxes	\$ 1,175,345	\$ 1,175,345	\$ 1,248,952	\$ 73,607
Licenses and Permits	50,400	50,400	49,294	(1,106)
Intergovernmental	293,750	293,750	415,483	121,733
Charges for Services	261,569	261,569	274,004	12,435
Fines and Forfeitures	50,500	50,500	83,644	33,144
Interest Income and Rentals	14,900	14,900	12,170	(2,730)
Other Revenue	97,000	97,000	143,916	46,916
<b>Total Revenues</b>	<b>1,943,464</b>	<b>1,943,464</b>	<b>2,227,463</b>	<b>283,999</b>
<b>Expenditures</b>				
<b>General Government</b>				
Council	7,650	6,445	5,374	1,071
Manager	60,129	65,799	63,936	1,863
Attorney	35,200	35,200	23,008	12,192
Clerk	52,824	51,825	51,061	764
Treasurer	24,253	28,726	28,698	28
Building and Utilities	40,092	38,874	37,603	1,271
Beautification Commission	1,020	1,020	78	942
Other General Government	66,310	79,310	21,094	58,216
<b>Total General Government</b>	<b>287,478</b>	<b>307,199</b>	<b>230,852</b>	<b>76,347</b>
<b>Public Safety</b>				
Police	779,415	825,867	822,401	3,466
Code Enforcement	21,343	17,237	15,769	1,468
Building Department	94,463	94,463	88,113	6,350
<b>Total Public Safety</b>	<b>895,221</b>	<b>937,567</b>	<b>926,283</b>	<b>11,284</b>
<b>Public Works</b>				
Department of Public Works	130,103	156,936	156,072	864
Tree Replacement Program	1,188	1,188	--	1,188
Downtown Maintenance	60,523	85,002	84,862	140
Parking Lot Maintenance / Construction	35,090	55,544	52,627	2,917
Street Lighting	41,392	50,000	46,032	3,968
Rubbish Contracts	208,634	231,330	229,115	2,215
<b>Total Public Works</b>	<b>476,930</b>	<b>580,000</b>	<b>568,708</b>	<b>11,292</b>
<b>Community and Economic Development</b>				
Planning	25,030	25,030	24,132	898
Board of Appeals	2,696	2,696	1,488	1,208
Other Community and Economic Development	200,000	203,336	203,336	--
<b>Total Community and Economic Development</b>	<b>227,726</b>	<b>231,062</b>	<b>228,956</b>	<b>2,106</b>
<b>Recreation and Culture</b>				
Parks	46,844	64,366	58,634	5,732
Civic Center	23,181	32,304	28,409	3,895
<b>Total Recreation and Culture</b>	<b>70,025</b>	<b>96,670</b>	<b>87,043</b>	<b>9,627</b>
<b>Total Expenditures</b>	<b>1,957,380</b>	<b>2,152,498</b>	<b>2,041,842</b>	<b>110,656</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(13,916)</b>	<b>(209,034)</b>	<b>185,621</b>	<b>394,655</b>
<b>Net Change in Fund Balance</b>	<b>(13,916)</b>	<b>(209,034)</b>	<b>185,621</b>	<b>394,655</b>
<b>Fund Balance at Beginning of Period</b>	<b>618,479</b>	<b>618,479</b>	<b>618,479</b>	<b>--</b>
<b>Fund Balance at End of Period</b>	<b>\$ 604,563</b>	<b>\$ 409,445</b>	<b>\$ 804,100</b>	<b>\$ 394,655</b>

**Village of Oxford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Major Street Fund**  
**For the Year Ended June 30, 2021**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Intergovernmental	\$ 201,000	\$ 201,000	\$ 314,274	\$ 113,274
Interest Income and Rentals	500	500	4,735	4,235
<b>Total Revenues</b>	<b>201,500</b>	<b>201,500</b>	<b>319,009</b>	<b>117,509</b>
<b>Expenditures</b>				
Construction	81,433	--	--	--
Surface	59,203	70,215	62,159	8,056
Non-motorized	3,500	3,500	2,906	594
Traffic	19,941	19,941	12,300	7,641
Snow and Ice	45,344	45,518	29,772	15,746
Wages Administration	2,050	2,050	1,506	544
Debt Service	--	78,532	78,532	--
<b>Total Expenditures</b>	<b>211,471</b>	<b>219,756</b>	<b>187,175</b>	<b>32,581</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(9,971)</b>	<b>(18,256)</b>	<b>131,834</b>	<b>150,090</b>
<b>Net Change in Fund Balance</b>	<b>(9,971)</b>	<b>(18,256)</b>	<b>131,834</b>	<b>150,090</b>
<b>Fund Balance at Beginning of Period</b>	<b>503,515</b>	<b>503,515</b>	<b>503,515</b>	<b>--</b>
<b>Fund Balance at End of Period</b>	<b>\$ 493,544</b>	<b>\$ 485,259</b>	<b>\$ 635,349</b>	<b>\$ 150,090</b>



**Village of Oxford**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Seven Calendar Years (Schedule is built prospectively upon implementation of GASB 68)**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total Pension Liability</b>							
Service Cost	\$ 46,987	\$ 49,628	\$ 46,153	\$ 49,046	\$ 63,101	\$ 59,811	\$ 62,748
Interest on Total Pension Liability	290,730	279,845	268,845	259,814	248,267	229,045	218,175
Differences Between Expected and Actual Experience	(48,233)	35,540	(23,000)	(38,977)	(8,400)	(83,837)	-
Changes to Benefit Terms	-	1,715	1,254	(1,020)	(621)	-	-
Changes of Assumptions	90,684	119,776	-	-	-	176,848	-
Benefit Payments, Including Refunds	(158,206)	(157,489)	(157,490)	(151,574)	(150,391)	(150,391)	(150,391)
Other Changes	-	-	-	1	-	7,158	6,817
<b>Net Change in Pension Liability</b>	<b>221,962</b>	<b>329,015</b>	<b>135,762</b>	<b>117,290</b>	<b>151,956</b>	<b>238,634</b>	<b>137,349</b>
<i>Total Pension Liability - Beginning</i>	<i>3,881,009</i>	<i>3,551,994</i>	<i>3,416,232</i>	<i>3,298,942</i>	<i>3,146,986</i>	<i>2,908,352</i>	<i>2,771,003</i>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 4,102,971</b>	<b>\$ 3,881,009</b>	<b>\$ 3,551,994</b>	<b>\$ 3,416,232</b>	<b>\$ 3,298,942</b>	<b>\$ 3,146,986</b>	<b>\$ 2,908,352</b>
<b>Plan Fiduciary Net Position</b>							
Employer Contributions	\$ 130,914	\$ 135,020	\$ 134,767	\$ 128,054	\$ 119,238	\$ 111,938	\$ 109,427
Employee Contributions	12,743	12,103	9,363	7,727	5,476	5,076	5,065
Net Investment Income (Loss)	343,463	289,142	(87,877)	263,396	206,345	(28,149)	113,716
Benefit Payments, Including Refunds	(158,206)	(157,489)	(157,490)	(151,574)	(150,391)	(150,391)	(150,391)
Administrative Expenses	(4,843)	(4,985)	(4,329)	(4,167)	(4,073)	(4,110)	(4,176)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>324,071</b>	<b>273,791</b>	<b>(105,566)</b>	<b>243,436</b>	<b>176,595</b>	<b>(65,636)</b>	<b>73,641</b>
<i>Plan Fiduciary Net Position - Beginning</i>	<i>2,398,771</i>	<i>2,124,980</i>	<i>2,230,546</i>	<i>1,987,110</i>	<i>1,810,515</i>	<i>1,876,151</i>	<i>1,802,510</i>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 2,722,842</b>	<b>\$ 2,398,771</b>	<b>\$ 2,124,980</b>	<b>\$ 2,230,546</b>	<b>\$ 1,987,110</b>	<b>\$ 1,810,515</b>	<b>\$ 1,876,151</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 1,380,129</b>	<b>\$ 1,482,238</b>	<b>\$ 1,427,014</b>	<b>\$ 1,185,686</b>	<b>\$ 1,311,832</b>	<b>\$ 1,336,471</b>	<b>\$ 1,032,201</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	66.4%	61.8%	59.8%	65.3%	60.2%	57.5%	64.5%
Covered Payroll	\$ 455,977	\$ 471,235	\$ 451,627	\$ 443,494	\$ 584,748	\$ 572,969	\$ 603,062
Net Pension Liability as a Percentage of Covered Payroll	302.7%	314.5%	316.0%	267.4%	224.3%	233.3%	171.2%

**Village of Oxford**  
**Required Supplementary Information**  
**Schedule of Contributions - MERS**  
**Last Seven Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 133,248	\$ 128,580	\$ 141,144	\$ 131,150	\$ 125,964	\$ 111,072	\$ 110,268
Contributions in Relation to the Actuarially Determined Contribution	133,248	128,580	141,144	131,150	125,964	112,407	109,427
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,335)</u>	<u>\$ 841</u>
Covered Payroll	\$ 458,733	\$ 467,260	\$ 458,055	\$ 485,293	\$ 557,349	\$ 594,649	\$ 565,433
Contributions as a Percentage of Covered Payroll	29.0%	27.5%	30.8%	27.0%	22.6%	18.9%	19.4%

*Notes*

**Valuation Date**

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 18 months prior to the beginning of the fiscal year in which the contributions are required.

**Methods and Assumptions Used to Determine Contribution Rates**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	18 Years
Asset Valuation Method	5 Years; Smoothed
Inflation	2.50%
Salary Increases	3.00% in the Long-Term
Investment Rate of Return	7.35%, Net of Investment Expense, including Inflation
Retirement Age	Experience-Based Tables of Rates that are Specific to the Type of Eligibility Condition
Mortality	Rates Used were Based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female Blend

**Village of Oxford**  
**Required Supplementary Information**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**Last Three Fiscal Years**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Total OPEB Liability</b>			
Service Cost	\$ 2,991	\$ 2,809	\$ 2,727
Interest on Total OPEB Liability	1,556	1,303	1,183
Changes to Benefit Terms	106,586	-	-
Differences Between Expected and Actual Experience	2,419	-	-
Changes of Assumptions	(26,771)	-	-
<b>Net Change in Total OPEB Liability</b>	<b>86,781</b>	<b>4,112</b>	<b>3,910</b>
<i>Total OPEB Liability - Beginning</i>	<i>48,862</i>	<i>44,750</i>	<i>40,840</i>
<b>Total OPEB Liability - Ending</b>	<b>\$ 135,643</b>	<b>\$ 48,862</b>	<b>\$ 44,750</b>
 <b>Plan Fiduciary Net Position</b>			
Employer Contributions	\$ 14,112	\$ -	\$ -
Net Investment Income	628	-	-
Administrative Expenses	(6)	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>14,734</b>	<b>-</b>	<b>-</b>
<i>Plan Fiduciary Net Position - Beginning</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Plan Fiduciary Net Position - Ending</b>	<b>\$ 14,734</b>	<b>\$ -</b>	<b>\$ -</b>
 <b>Net OPEB Liability - Ending</b>	<b>\$ 120,909</b>	<b>\$ 48,862</b>	<b>\$ 44,750</b>
 Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	10.9%	0.0%	0.0%
 Covered Employee Payroll	\$ 595,130	\$ 278,990	\$ 269,556
 Net OPEB Liability as a Percentage of Covered Employee Payroll	20.3%	17.5%	16.6%

\* Built prospectively upon implementation on GASB 75. Ultimately, 10 years of data will be presented.

**Village of Oxford**  
**Required Supplementary Information**  
**Schedule of Contributions - OPEB**  
**Last Three Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 6,323	\$ 5,757	\$ 5,261
Contributions in Relation to the Actuarially Determined Contribution	14,112	-	-
Contribution Deficiency (Excess)	<u>\$ (7,789)</u>	<u>\$ 5,757</u>	<u>\$ 5,261</u>
Covered Employee Payroll	\$ 595,130	\$ 278,990	\$ 269,556
Contributions as a Percentage of Covered Employee Payroll	2.4%	0.0%	0.0%

**Valuation Date:** June 30, 2021

**Methods and Assumptions Used to Determine Contribution Rates**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	15 Years
Asset Valuation Method	N/A
Discount Rate	7.35%
Inflation	2.50%
Return on Plan Assets	7.35%
Salary Increases	3.50% in the Long-Term
20 Year AA Municipal Bond Rate	2.18%
Retirement Age	Varies Based on Plan Adoption
Mortality	Based on MP-2020 Tables

*\* Built prospectively upon implementation on GASB 75. Ultimately, 10 years of data will be presented.*

## **Combining and Individual Fund Statements and Schedules**

**Village of Oxford**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2021**

	<u>Special Revenue</u>	<u>Capital Projects</u>	
	<u>Local Street Fund</u>	<u>Capital Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and Investments	\$ 55,388	\$ 56,525	\$ 111,913
Receivables, Net	25	17	42
Due from Other Governmental Units	17,459	--	17,459
<b><i>Total Assets</i></b>	<b><u>\$ 72,872</u></b>	<b><u>\$ 56,542</u></b>	<b><u>\$ 129,414</u></b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 162	\$ --	\$ 162
Accrued Liabilities	317	--	317
<b><i>Total Liabilities</i></b>	<b><u>479</u></b>	<b><u>--</u></b>	<b><u>479</u></b>
<b>FUND BALANCE</b>			
Restricted	72,393	--	72,393
Assigned	--	56,542	56,542
Unassigned	--	--	--
<b><i>Total Fund Balance</i></b>	<b><u>72,393</u></b>	<b><u>56,542</u></b>	<b><u>128,935</u></b>
<b><i>Total Liabilities and Fund Balance</i></b>	<b><u>\$ 72,872</u></b>	<b><u>\$ 56,542</u></b>	<b><u>\$ 129,414</u></b>

**Village of Oxford**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2021**

	<u>Special Revenue</u>	<u>Capital Projects</u>	
	<u>Local Street Fund</u>	<u>Capital Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>			
Intergovernmental	\$ 121,062	\$ --	\$ 121,062
Interest Income and Rentals	727	446	1,173
Other Revenue	18,455	--	18,455
<b><i>Total Revenues</i></b>	<u>140,244</u>	<u>446</u>	<u>140,690</u>
<b>Expenditures</b>			
Public Works	130,923	--	130,923
Debt Service, Principal	30,000	--	30,000
Debt Service, Interest	3,657	--	3,657
<b><i>Total Expenditures</i></b>	<u>164,580</u>	<u>--</u>	<u>164,580</u>
<b><i>Excess of Revenues Over (Under) Expenditures</i></b>	<u>(24,336)</u>	<u>446</u>	<u>(23,890)</u>
<b><i>Net Change in Fund Balance</i></b>	<u>(24,336)</u>	<u>446</u>	<u>(23,890)</u>
<i>Fund Balance at Beginning of Period</i>	96,729	56,096	152,825
<b><i>Fund Balance at End of Period</i></b>	<u>\$ 72,393</u>	<u>\$ 56,542</u>	<u>\$ 128,935</u>

**Village of Oxford DDA**  
**Statement of Net Position**  
**June 30, 2021**

	<b>DDA</b>
	<b>Governmental</b>
	<b>Activities</b>
<b>ASSETS</b>	
<i>Current Assets</i>	
Cash and Investments	\$ 212,998
Receivables, Net	15,539
<b><i>Total Current Assets</i></b>	<b>228,537</b>
<i>Noncurrent Assets</i>	
Capital Assets not being Depreciated	1,395,050
Capital Assets being Depreciated, net	386,356
<b><i>Total Assets</i></b>	<b>2,009,943</b>
<b>LIABILITIES</b>	
<i>Current Liabilities</i>	
Accounts Payable	86,854
Accrued Liabilities	2,041
Unearned Revenue	15,461
Current Portion of Long-term Debt	58,000
<b><i>Total Current Liabilities</i></b>	<b>162,356</b>
<i>Noncurrent Liabilities</i>	
Long-term Debt	401,066
<b><i>Total Liabilities</i></b>	<b>563,422</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	1,322,340
<i>Unrestricted</i>	124,181
<b><i>Total Net Position</i></b>	<b>\$ 1,446,521</b>



**Village of Oxford DDA  
Statement of Activities  
For the Year Ended June 30, 2021**

		<b>Program Revenues</b>			
<b>Functions/Programs</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Net (Expense) Revenue</b>
<b>DDA Governmental Activities:</b>					
Community and Economic Development	\$ 1,026,208	\$ 500	\$ 223,725	\$ --	\$ (801,983)
Interest on Long-term Debt	12,105	--	--	--	(12,105)
<b>Total DDA Governmental Activities</b>	<b>\$ 1,038,313</b>	<b>500</b>	<b>223,725</b>	<b>--</b>	<b>(814,088)</b>
<b>General Purpose Revenues:</b>					
Property Taxes					481,020
Interest and Investment Earnings					3,017
<b>Total General Revenues</b>					<b>484,037</b>
<b>Change in Net Position</b>					<b>(330,051)</b>
Net Position at Beginning of Period					1,776,572
<b>Net Position at End of Period</b>					<b>\$ 1,446,521</b>

**Village of Oxford DDA  
Balance Sheet  
Component Unit Funds  
June 30, 2021**

		<u>Debt Service</u>	<u>Capital Projects</u>	
	<u>Operating</u>	<u>Debt Service Fund</u>	<u>Construction Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Investments	\$ 146,443	\$ --	\$ 66,555	\$ 212,998
Receivables, Net	15,539	--	--	15,539
<b><i>Total Assets</i></b>	<b><u>\$ 161,982</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 66,555</u></b>	<b><u>\$ 228,537</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 20,299	\$ --	\$ 66,555	\$ 86,854
Accrued Liabilities	2,041	--	--	2,041
Unearned Revenue	15,461	--	--	15,461
<b><i>Total Liabilities</i></b>	<b><u>37,801</u></b>	<b><u>--</u></b>	<b><u>66,555</u></b>	<b><u>104,356</u></b>
<b>FUND BALANCE</b>				
Unassigned	124,181	--	--	124,181
<b><i>Total Fund Balance</i></b>	<b><u>124,181</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>124,181</u></b>
<b><i>Total Liabilities and Fund Balance</i></b>	<b><u>\$ 161,982</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 66,555</u></b>	<b><u>\$ 228,537</u></b>

**Village of Oxford DDA**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2021**

Total Fund Balance - DDA Governmental Funds	\$ 124,181
General government capital assets of \$3,164,226, net of accumulated depreciation of \$1,382,820, are not financial resources and, accordingly, are not reported in the funds.	1,781,406
Long-term liabilities, including premium on bonds, are not due and payable in the current period and, therefore, are not reported in the funds.	(459,066)
<b>Total Net Position - DDA Governmental Activities</b>	<b>\$ <u>1,446,521</u></b>

**Village of Oxford DDA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Component Unit Funds**  
**For the Year Ended June 30, 2021**

		<u>Debt Service</u>	<u>Capital Projects</u>	
	<u>General</u>	<u>Debt Service Fund</u>	<u>Construction Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Property Taxes	\$ 481,020	\$ --	\$ --	\$ 481,020
Intergovernmental	10,548	--	200,000	210,548
Interest Income	1,818	--	1,199	3,017
Other Revenue	13,677	--	--	13,677
<b>Total Revenues</b>	<b>507,063</b>	<b>--</b>	<b>201,199</b>	<b>708,262</b>
<b>Expenditures</b>				
Community and Economic Development	288,707	--	568,776	857,483
Capital Outlay	--	--	24,710	24,710
Debt Service, Principal	--	58,000	--	58,000
Debt Service, Interest	--	14,921	--	14,921
<b>Total Expenditures</b>	<b>288,707</b>	<b>72,921</b>	<b>593,486</b>	<b>955,114</b>
<b>Excess of Revenues Over</b>				
<b>(Under) Expenditures</b>	<b>218,356</b>	<b>(72,921)</b>	<b>(392,287)</b>	<b>(246,852)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	--	72,921	47,873	120,794
Transfers Out	(120,794)	--	--	(120,794)
<b>Net Other Financing Sources (Uses)</b>	<b>(120,794)</b>	<b>72,921</b>	<b>47,873</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>97,562</b>	<b>--</b>	<b>(344,414)</b>	<b>(246,852)</b>
<b>Fund Balance at Beginning of Period</b>	<b>26,619</b>	<b>--</b>	<b>344,414</b>	<b>371,033</b>
<b>Fund Balance at End of Period</b>	<b>\$ 124,181</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 124,181</b>

**Village of Oxford DDA**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended June 30, 2021**

Total Net Change in Fund Balances - DDA Governmental Funds	\$	(246,852)
--	----	-----------

Governmental funds report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and expensed. This represents the amount by which depreciation expense of \$113,137 and the transfer of prior year capital assets to the Village of \$55,588 exceeds capital outlay of \$24,710.		(144,015)
---	--	-----------

Repayment of bond principal is an expenditure in the governmental funds but the repayment (of \$58,000), along with the amortization the bond premiums (of \$2,816), reduces long-term liabilities in the statement of net position.		60,816
--	--	--------

<b>Changes in Net Position - DDA Governmental Activities</b>	<b>\$</b>	<b><u>(330,051)</u></b>
--	-----------	-------------------------

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2021 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated November 5, 2021.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

A handwritten signature in dark ink that reads "Gabridge & Company". The script is cursive and fluid, with the ampersand being particularly stylized.

Gabridge & Company, PLC  
Grand Rapids, MI  
November 5, 2021

November 5, 2021

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

We have audited the 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 for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 10, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year ended June 30, 2021. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- The assumptions used in the actuarial valuations of the pension plan and other post-employment benefit plan are based on historical trends and industry standards.



### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 5, 2021.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of management, the Village Council, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

### *Other Matters*

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison information, and the schedules for the pension and other post-employment benefit plans, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

### **Restriction on Use**

This information is intended solely for the use of the Village Council and management of the Village and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in dark ink that reads "Gabridge & Company". The signature is written in a cursive, flowing style.

Gabridge & Company, PLC  
Grand Rapids, MI