

Oxford Community Schools

Oxford, Michigan

**Annual Financial Statements
and
Auditors' Report**

June 30, 2013

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Oxford Community Schools
Members of the Board of Education and Administration
June 30, 2013

Members of the Board of Education

Colleen Schultz – President

Carol Mitchell – Vice-President

Kim Shumaker – Secretary

Robert Martin – Treasurer

William Keenist – Trustee/Spokesperson

Jim Reis – Trustee

Dan D'Alessandro – Trustee

Administration

Dr. William Skilling – Superintendent



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Independent Auditors' Report

Management and the Board of Education
Oxford Community Schools

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oxford Community Schools, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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, each major fund, and the aggregate remaining fund information of Oxford Community Schools, as of June 30, 2013, and

the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standards

As described in Note 1 to the financial statements, during the year ended June 30, 2013, the District adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, and No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

Other Matters:

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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 Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oxford Community Schools' basic financial statements. The list of the Members of the Board of Education and Administration and other supplemental information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, is the responsibility of management and, other than the prior year information, was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplemental 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 other supplemental information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The list of the Members of the Board of Education and Administration, which is the responsibility of management, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior Year Information

We also have previously audited, in accordance with auditing standards generally accepted in the United States, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Oxford Community Schools' financial statements as of and for the year ended June 30, 2012, which are not presented with the accompanying financial statements. In our report dated October 6, 2012, we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oxford Community Schools' financial statements as a whole. The 2012 information in the comparative supplemental schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 information in the comparative supplemental schedules are fairly stated in all material respects in relation to the financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2013 on our consideration of Oxford Community Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oxford Community Schools' internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Saginaw, MI

October 28, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2013

The Oxford Community Schools (the "School District") is located in Oakland and Lapeer Counties approximately 40 miles north of the city of Detroit. It is an independent school district governed by a seven-member elected Board of Education. Revenue is substantially determined by the State's funding formula. There are three K-5 elementary schools, one pre-K-2 elementary school, one 3-5 elementary school, one 6-8 middle school, one 9-12 high school, one alternative high school, a child care center, a virtual academy, an administration office, and maintenance and transportation facilities. Educational services are provided to a private agency for court-placed residential students.

This section of the 2013 annual financial report presents our discussion and analysis of the Oxford Community School's financial performance during the fiscal year ended June 30, 2013. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. The district-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements provide information about the School District's most significant (major) funds. The General Fund, containing the primary activity of the School District, is always considered a major fund. The fund for our most recent issuance of refunding debt in 2012 is also large enough to qualify as a major fund as well. All other governmental funds presented are in one column as non-major funds because they are not material enough to be considered major. The statement of fiduciary assets and liabilities presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents.

Financial Section

- Basic Financial Statements
 - District-Wide Financial Statements
 - Fund Financial Statements
 - Fiduciary Fund
 - Notes to Financial Statements
- Required Supplemental Information
 - Budgetary Comparison Schedules – General Fund
- Other Supplemental Information
 - Combining Balance Sheet Non-major Governmental Funds
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Oxford Community Schools
Management's Discussion and Analysis
June 30, 2013

District-Wide Financial Statements

One of the most important questions asked about the School District is, "As a whole, what is the Oxford Community School District's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the School District's net position as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net position, as reported in the statement of activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community education, athletics, and food services. Property taxes, unrestricted State aid (foundation allowance revenue), State and Federal grants, and charges for services finance these activities.

Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds - not the School District as a whole. Some funds are required to be established by State law and by bond covenants. However, the School District establishes other funds to help it control and manage money for particular purposes (the Food Services and Community Services Funds are examples) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects).

All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps you determine whether there is growth or decline of available financial resources that can be spent in the near future for the School District's programs. The relationship between governmental activities and governmental funds is illustrated in a reconciliation included in the financial section on page 4-8.

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2013

Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for its student activity funds. All of the School District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities on page 4-9. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The School District as a Whole

Summary of The Statement of Net Position (in Millions)

	2013 Governmental Activities	2012 Governmental Activities
<u>Assets</u>		
Current assets	\$ 14.01	\$ 12.93
Capital assets, net book value	124.94	126.98
Total Assets	138.95	139.91
<u>Deferred outflows of resources</u>		
Deferred amount on debt refunding	2.16	-
Total assets and deferred outflows of resources	\$ 141.11	\$ 139.91
<u>Liabilities</u>		
Current Liabilities	\$ 8.72	\$ 5.04
Noncurrent Liabilities	153.56	152.30
Total Liabilities	\$ 162.28	\$ 157.34
<u>Net Position (Deficit)</u>		
Invested in Capital Assets	\$ (10.81)	\$ (7.48)
Restricted	0.83	0.72
Unrestricted	(11.19)	(10.67)
Total Net Position (Deficit)	\$ (21.17)	\$ (17.43)

The statement of net position (formerly the statement of net position) provides the perspective of the School District as a whole. While the previous statement of net position displayed assets, liabilities, and net position, the statement of position contains an additional classification for us – deferred outflows of resources. This modified format conforms to requirements of new governmental accounting standards. In our situation, the deferred amount on debt refunding represents the economic gain that we have achieved as a result of refinancing our debt over the years.

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2013

The School District's net position at the end of FY13 is negative \$21.17 million. This amount is made up of three components:

- Capital assets, net of related debt totaling negative \$10.81 million, compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due, with any shortages made up by borrowings from the School Bond Revolving Fund.
- Restricted net position totaling \$0.83 million is reported separately to show legal constraints from debt covenants and funds restricted to cafeteria operations, limiting the School District's ability to use the net position for day-to-day operations.
- The unrestricted remainder of the net position is negative \$11.19 million. This amount represents the *cumulative* results of all past years' operations. The operating results and cash position of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

Summary of Net Activities (in Millions)

	2013 Governmental Activities	2012 Governmental Activities
<u>Revenues</u>		
Program revenues		
Charges for services	\$ 2.46	\$ 2.30
Operating grants and contributions	9.78	9.27
General revenues		
Property taxes	10.21	10.51
State aid	33.74	30.88
Investment earnings	-	0.04
Other	0.29	0.21
Total revenues	<u>56.48</u>	<u>53.21</u>
<u>Expenses</u>		
Instruction	\$ 33.92	\$ 32.21
Support services	16.57	15.40
Food services	1.93	2.15
Community service	1.24	1.22
Interest on long-term debt	6.56	7.12
Total expenses	<u>60.22</u>	<u>58.10</u>
Change in net position	<u>\$ (3.74)</u>	<u>\$ (4.90)</u>

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2013

As reported in the statement of activities, the cost of all our governmental activities this year was \$60.22 million. Certain activities were partially funded by those who benefited from the programs, \$2.46 million, or by other governments and organizations that subsidized certain programs with grants and contributions, \$9.78 million. The remaining "public benefit" portion of our governmental activities was funded with \$10.21 million in taxes, \$33.74 million in State aid, and with our other revenues, i.e., interest income and general entitlements.

During FY13, the School District experienced a decrease in net position of \$3.74 million.

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

The School District's Funds

As noted earlier, the School District uses funds to help it control and manage money for particular purposes. The following overview of these funds will demonstrate the School District's stewardship over the resources that taxpayers and others provide. These funds also provide more insight into the School District's overall financial health.

At the end of FY13, the governmental funds reported a combined fund balance of approximately \$6.3 million, a decrease of \$2.5 million from last year. The primary reasons for the change are noted as follows:

- In the General Fund, our principal operating fund, the fund balance decreased \$0.7 million to \$5.1 million. This change is mainly due to planned use of fund balance to maintain programs and services. The General Fund's fund balance is available to fund costs related to allowable school operating purposes.
- Our Special Revenue Funds (Food Service and Community Service) remain financially solvent. Food Service posted an operating surplus of approximately \$79,000. Community Service realized a surplus of approximately \$79,000.
- Combined, the Debt Service Funds showed a fund balance decrease of \$0.2 million. The debt millage rate is unchanged at 7.0 mills. Millage rates are set annually to ensure that the School District accumulates sufficient resources to pay annual bond related debt service. Durant debt obligations are funded by annual State appropriation, and were paid off as of the end of this year. Debt Service fund balances are reserved since they can only be used to pay debt service obligations.
- The Capital Projects fund balance decreased approximately \$2 million due to payments for construction in progress funded by the bonds approved by the voters in November, 2009. As of year-end, approximately \$155,000 remains to be expended out of \$32.7 million raised from these bonds.

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2013

General Fund Budgetary Highlights

Over the course of the year, the School District budget was revised twice to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted just before year-end. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements.

Budgeted revenues and other financing sources were increased by \$2.0 million. The most significant increases were due to student enrollment increases, which increased our State Aid and tuition payments. Actual revenues and other financing sources exceeded budgeted amounts by \$366,000. The major reason for this positive variance was due to the State funding of unfunded accrued actuarial liability (UAAL) retirement costs. This additional revenue of \$456,000, which was offset by an equal amount of billings charged to retirement, was not reflected in the final amended budget.

Budgeted expenditures were increased from the original adopted budget by \$1.9 million. This increase was due to salary and benefit costs for revised staffing levels, as well as additional instructional expenditures necessitated by the increase in student enrollment. Actual expenditures were lower than the amended budget by \$369,000. There were expenditure swings both to the positive and the negative, as noted below:

Positive Expenditure Variances

- Because of spending concerns, a concerted effort was made at the end of the fiscal year to cut down on discretionary spending. This resulted in lower expenditures of supplies, dues and fees, and miscellaneous other items.
- Estimates for retirement, severance and sick days turned out to be lower than budgeted.
- Transportation salaries were lower than expected.
- The number of children sent to special education center programs was less than budgeted.
- Certain software costs were delayed until fiscal 2014.

Negative Expenditure Variances

- As noted above in the discussion of budgeted revenues, additional UAAL retirement costs were incurred but not budgeted.
- Substitute teacher, utility, and legal costs exceeded the expected amounts.

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2013

Capital Assets and Debt Administration

Summary of Capital Assets		
	<u>2013</u>	<u>2012</u>
Capital Assets		
Land	\$ 511,000	\$ 511,000
Construction in progress	-	2,579,134
Total capital assets not being depreciated	<u>511,000</u>	<u>3,090,134</u>
Buildings and improvements	161,668,029	157,858,194
Furniture and equipment	9,735,285	9,141,948
Buses and other vehicles	<u>2,299,067</u>	<u>2,252,604</u>
Total capital assets being depreciated	<u>173,702,381</u>	<u>169,252,746</u>
Subtotal	174,213,381	172,342,880
Less accumulated depreciation	<u>(49,275,250)</u>	<u>(45,361,956)</u>
Net Capital Assets	<u><u>\$ 124,938,131</u></u>	<u><u>\$ 126,980,924</u></u>

As of June 30, 2013, the School District had \$124.94 million, net of accumulated depreciation, invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net decrease (including additions, disposals, and depreciation) of \$2.04 million. We present information that is more detailed about our capital assets in the notes to the financial statements.

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2013

At the end of FY13, the School District had \$151.4 million in long-term debt and deferred refunding, versus \$152.3 million in the previous year (a decrease of 0.6%). Those obligations consisted of the following:

Summary of Debt and Deferred Amount of Refunding Activity

	2013	2012
Government obligation bonds	\$ 135,130,233	\$ 109,771,061
Durant bonds	-	35,675
School Bond Loan	14,349,265	27,637,514
Accrued Interest on SBLF	113,390	13,042,461
Compensated absences	1,811,690	1,550,331
Retirement incentives	648,101	897,687
Premium on bonds	1,661,450	1,839,309
Discount on bonds	(150,876)	(156,912)
Deferred amount on refunding	<u>(2,160,556)</u>	<u>(2,317,041)</u>
Total debt and deferred refunding	<u>\$ 151,402,697</u>	<u>\$ 152,300,085</u>

The School District's general obligation bond rating is A+. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value (SEV) of all taxable property within the School District's boundaries. If the School District issues "qualified debt," i.e. debt backed by the State of Michigan, such obligations are not subject to this debt limit. All School District government obligation bonds are qualified debt, with the exception of the 2007 Energy Bond. The School District's outstanding unqualified general obligation debt of \$2.3 million is well below the statutorily-imposed limit of \$147.3 million.

Other obligations include accrued vacation pay, sick leave, early separation agreements, notes payable, and School Bond Loan Fund. We present information that is more detailed about our long-term liabilities in the notes to the financial statements.

Economic Factors and Next Year's Budget

Our elected school board members and the administration considered many factors when setting the School District's FY14 budget. One of the most important factors affecting the budget is our student count. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2013-14 school year is 90 percent and 10 percent of the October 2013 and February 2014 student counts, respectively. The FY14 budget was adopted in June 2013, based on an estimate of students that will be enrolled in September 2013. Approximately 75 percent of total General Fund revenue is from the State portion of the foundation allowance. The budget adopted for FY14 assumes a \$7,145 per student foundation allowance. Under State law, the School District cannot assess additional property tax revenue for general operations. As a result, School District funding is heavily dependent on the State's ability to fund local school operations.

Oxford Community Schools
Management's Discussion and Analysis
June 30, 2013

The K-12 school aid bill enacted by the State increases net per pupil funding by \$27/student. The bill again includes one-time payments to help mitigate employee retirement costs (albeit at a lower rate than last year), and for meeting 7 of 8 best practices. Even with these one-time payments, total per pupil funding is significantly lower than the \$7,557 per pupil funding in fiscal 2011. While the UAAL retirement costs, projected to be \$1.1 million for fiscal 2014, are fully reimbursed by the State, the addition of these expenditures have an adverse effect on the School District's fund balance percentage (fund balance divided by expenditures). This is because the added expenditure increases the denominator with no effect on the numerator.

The blended student count used to formulate the FY14 budget assumes no student growth above the spring 2013 enrollment. Early enrollment data indicates that this assumption should be fairly accurate. Decreases in enrollment have occurred due to the following:

- Transfer of our operations for court-placed children to a charter school;
- Discontinuance of certain joint efforts on behalf of our virtual academy; and
- Increased competition from neighboring charter schools and schools of choice.

Increases in enrollment have occurred due to the following:

- introduction of a conservatory for the arts;
- An agreement with a charter academy, whereby we take their middle school graduates into our high school;
- Cooperative efforts with Kettering University to establish a virtual academy presence on their campus;
- Increases in the number of international residence academy students; and
- Successful efforts to market the School District to prospective homebuyers with children, school of choice students, and virtual academy students.

Without our innovative efforts and programs, a significant drop in enrollment may have occurred.

Once the final student count and related per pupil funding is validated, State law requires the School District to amend the budget if actual School District resources are not sufficient to fund original appropriations. Because of the ever-changing nature of our operations, we expect to propose more than the typical two amendments prepared in prior years to reflect these changes on a timely basis.

This report is designed to give an overview of the financial condition of the Oxford Community Schools. Questions or requests for additional information should be directed to the business office at (248) 969-5000.

BASIC FINANCIAL STATEMENTS

Oxford Community Schools
Statement of Net Position
June 30, 2013

	<u>Governmental Activities</u>
Assets	
Cash	\$ 6,028,231
Accounts receivable	50,074
Due from other governmental units	7,808,127
Inventory	71,794
Prepaid items	48,995
Capital assets not being depreciated	511,000
Capital assets - net of accumulated depreciation	<u>124,427,131</u>
Total assets	<u>138,945,352</u>
 Deferred Outflows of Resources	
Deferred amount on debt refunding	<u>2,160,556</u>
 Total assets and deferred outflows of resources	 <u>141,105,908</u>
 Liabilities	
Accounts payable	315,103
State aid anticipation note payable	3,000,000
Due to other governmental units	455,536
Payroll and related withholdings	1,198,378
Accrued expenditures	1,004,185
Accrued salaries payable	2,703,557
Unearned revenue	39,452
Noncurrent liabilities	
Due within one year	15,992,411
Due in more than one year	<u>137,570,842</u>
Total liabilities	<u>162,279,464</u>
 Net position	
Net investment in capital assets	(10,807,227)
Restricted for:	
Cafeteria	492,867
Debt service	339,925
Unrestricted	<u>(11,199,121)</u>
Total net position	<u><u>\$ (21,173,556)</u></u>

See Accompanying Notes to Financial Statements

Oxford Community Schools
Statement of Activities
For the Year Ended June 30, 2013

		Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Functions/Programs					
Governmental activities					
Instruction	\$ 33,923,100	\$ 298,583	\$ 7,015,820	\$ -	\$ (26,608,697)
Supporting services	16,570,005	35,042	780,150	-	(15,754,813)
Food services	1,930,861	1,068,228	650,102	-	(212,531)
Community services	1,236,891	1,060,789	140,884	-	(35,218)
Interest on long-term debt	6,565,410	-	1,193,776	-	(5,371,634)
Total governmental activities	<u>\$ 60,226,267</u>	<u>\$ 2,462,642</u>	<u>\$ 9,780,732</u>	<u>\$ -</u>	<u>(47,982,893)</u>
General revenues					
Property taxes, levied for general purposes					4,011,597
Property taxes, levied for debt service					6,195,787
State aid - unrestricted					33,742,451
Interest earnings					2,361
Other					<u>286,894</u>
Total general revenues					<u>44,239,090</u>
Change in net position					(3,743,803)
Net position (deficit) - beginning					<u>(17,429,753)</u>
Net position (deficit) - ending					<u>\$ (21,173,556)</u>

See Accompanying Notes to Financial Statements

Oxford Community Schools
Governmental Funds
Balance Sheet
June 30, 2013

	General Fund	2012 Debt Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 5,132,733	\$ 31,358	\$ 864,140	\$ 6,028,231
Accounts receivable	27,207	-	22,867	50,074
Due from other funds	-	9,250	171,998	181,248
Due from other governmental units	7,780,637	-	27,490	7,808,127
Inventory	-	-	71,794	71,794
Prepaid items	48,995	-	-	48,995
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 12,989,572</u>	<u>\$ 40,608</u>	<u>\$ 1,158,289</u>	<u>\$ 14,188,469</u>
Liabilities				
Accounts payable	\$ 312,676	\$ -	\$ 2,427	\$ 315,103
State aid anticipation note payable	3,000,000	-	-	3,000,000
Due to other funds	181,193	-	55	181,248
Due to other governmental units	455,536	-	-	455,536
Payroll and related withholdings	1,191,057	-	7,321	1,198,378
Accrued expenditures	28,185	-	-	28,185
Accrued salaries payable	2,680,881	-	22,676	2,703,557
Unearned revenues	5,726	-	33,726	39,452
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>7,855,254</u>	<u>-</u>	<u>66,205</u>	<u>7,921,459</u>

See Accompanying Notes to Financial Statements

Oxford Community Schools
Governmental Funds
Balance Sheet
June 30, 2013

	General Fund	2012 Debt Fund	Nonmajor Governmental Funds	Total Governmental Funds
Deferred Inflows of Resources				
Unavailable revenue				
Community services	\$ -	\$ -	\$ 7,061	\$ 7,061
Fund Balance				
Non-spendable				
Inventory	-	-	71,794	71,794
Prepaid items	48,995	-	-	48,995
Restricted for:				
Debt service	-	40,608	299,317	339,925
Cafeteria	-	-	421,073	421,073
Capital projects	-	-	155,032	155,032
Committed for:				
Community services	-	-	137,807	137,807
Assigned for:				
Long-term obligations	5,085,323	-	-	5,085,323
 Total fund balance	 5,134,318	 40,608	 1,085,023	 6,259,949
 Total liabilities, deferred inflows of resources and fund balance	 \$ 12,989,572	 \$ 40,608	 \$ 1,158,289	 \$ 14,188,469

See Accompanying Notes to Financial Statements

Oxford Community Schools
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2013

Total fund balances for governmental funds	\$ 6,259,949
Total net position for governmental activities in the statement of net position is different because:	
Certain receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.	7,061
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	511,000
Capital assets - net of accumulated depreciation	124,427,131
Other long-term assets are not deferred in the governmental funds.	
Deferred outflows of resources resulting from debt refunding	2,160,556
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(976,000)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Compensated absences	(1,811,690)
Bonds payable	(136,640,807)
School bond loan payable	(14,349,265)
Accrued interest on school bond loan fund	(113,390)
Special termination benefits	<u>(648,101)</u>
Net position of governmental activities	<u><u>\$ (21,173,556)</u></u>

See Accompanying Notes to Financial Statements

Oxford Community Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2013

	General Fund	2012 Debt Fund	Nonmajor Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues				
Local sources	\$ 4,715,507	\$ 911,969	\$ 7,366,461	\$ 12,993,937
State sources	37,727,317	-	262,928	37,990,245
Federal sources	1,919,348	-	1,843,878	3,763,226
Interdistrict sources	<u>1,775,243</u>	<u>-</u>	<u>-</u>	<u>1,775,243</u>
 Total revenues	 <u>46,137,415</u>	 <u>911,969</u>	 <u>9,473,267</u>	 <u>56,522,651</u>
 Expenditures				
Current				
Education				
Instruction	29,576,392	-	-	29,576,392
Supporting services	15,996,598	-	-	15,996,598
Food services	-	-	1,641,860	1,641,860
Community services	19,920	-	1,024,304	1,044,224
Intergovernmental payments	323,752	-	-	323,752
Capital outlay	820,625	-	1,953,254	2,773,879
Debt service				
Principal	125,828	10,230,000	5,230,675	15,586,503
Interest and other expenditures	96,129	748,587	5,573,197	6,417,913
Bond issuance costs	-	151,099	-	151,099
Payment to school bond loan fund	<u>-</u>	<u>40,757,907</u>	<u>-</u>	<u>40,757,907</u>
 Total expenditures	 <u>46,959,244</u>	 <u>51,887,593</u>	 <u>15,423,290</u>	 <u>114,270,127</u>
 Deficiency of revenues over expenditures	 <u>(821,829)</u>	 <u>(50,975,624)</u>	 <u>(5,950,023)</u>	 <u>(57,747,476)</u>

See Accompanying Notes to Financial Statements

Oxford Community Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2013

	<u>General Fund</u>	<u>2012 Debt Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses)				
Proceeds from issuance of bonds	\$ -	\$ 40,910,000	\$ -	\$ 40,910,000
Proceeds from school bond loan fund	-	10,106,232	4,242,033	14,348,265
Transfers in	130,000	-	-	130,000
Transfers out	<u>-</u>	<u>-</u>	<u>(130,000)</u>	<u>(130,000)</u>
 Total other financing sources (uses)	<u>130,000</u>	<u>51,016,232</u>	<u>4,112,033</u>	<u>55,258,265</u>
 Net change in fund balance	(691,829)	40,608	(1,837,990)	(2,489,211)
 Fund balance - beginning	<u>5,826,147</u>	<u>-</u>	<u>2,923,013</u>	<u>8,749,160</u>
 Fund balance - ending	<u><u>\$ 5,134,318</u></u>	<u><u>\$ 40,608</u></u>	<u><u>\$ 1,085,023</u></u>	<u><u>\$ 6,259,949</u></u>

See Accompanying Notes to Financial Statements

Oxford Community Schools
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2013

Net change in fund balances - Total governmental funds	\$ (2,489,211)
Total change in net position reported for governmental activities in the statement of activities is different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Charges for service	(34,656)
Grants	(5,531)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(3,913,294)
Capital outlay	1,870,501
Expenses are recorded when incurred in the statement of activities.	
Interest	(69,000)
Interest on school bond loan fund	(113,390)
Compensated absences	(261,359)
Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Debt issued	(55,258,265)
Repayments of long-term debt	56,515,064
Amortization of premiums	177,859
Amortization of bond discount	(6,036)
Amortization of deferred outflows of resources	<u>(156,485)</u>
Change in net position of governmental activities	<u>\$ (3,743,803)</u>

See Accompanying Notes to Financial Statements

Oxford Community Schools
Fiduciary Funds
Statement of Assets and Liabilities
June 30, 2013

	<u>Agency Funds</u>
Assets	
Cash	\$ <u>427,494</u>
Liabilities	
Due to agency fund activities	\$ <u>427,494</u>

See Accompanying Notes to Financial Statements

Oxford Community Schools

Notes to Financial Statements

June 30, 2013

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Oxford Community Schools (School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has no component units.

District-wide Financial Statements

The School District's basic financial statements include both district-wide (reporting for the district as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. The School District first utilizes restricted resources to finance qualifying activities.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources, interest income, etc.). The School District does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as

Oxford Community Schools
Notes to Financial Statements
June 30, 2013

well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

Fiduciary fund statements also are reported using the economic resources measurement focus and the accrual basis of accounting.

The School District reports the following major governmental funds:

General Fund – The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

2012 Debt Fund – The 2012 Debt Fund is used to record the payment of interest, principal, and other expenditures on long-term debt.

Additionally, the School District reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District's Special Revenue Funds include Food Service, and Community Service Funds. Operating deficits generated by these activities are generally eliminated by a transfer from the General Fund.

Debt Service Funds – Debt Service Funds are used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

Capital Projects – Capital project funds are used to account for resources for the acquisition or construction of capital facilities or equipment by the school district.

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations. This fund is used to record the transactions of student groups for school and school-related purposes.

Assets, Liabilities and Net Position or Equity

Receivables and Payables – Generally, outstanding amounts owed between funds are classified as “due from/to other funds”. These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2013, the rates are as follows per \$1,000 of assessed value.

General Fund	
Non principal resident exemption	17.9946
Commercial personal property	5.9946
Debt Service Funds	7.0000

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School

Oxford Community Schools

Notes to Financial Statements

June 30, 2013

District's boundaries. Approximately 76% of the School District's tax roll lies within Oxford Township.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 14 or February 14. Collections are forwarded to the School District as collected by the assessing municipalities. Real property taxes uncollected as of March 1 are purchased by the County of Oakland and remitted to the School District by May 15.

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

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

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

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

Deferred outflows of resources – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period.

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

Compensated Absences – The liability for compensated absences reported in the district-wide statements consists of accumulated sick leave balance. A liability for these amounts is reported in governmental funds as it comes due for payment. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Long-term Obligations – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period.

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

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

Oxford Community Schools
Notes to Financial Statements
June 30, 2013

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

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

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

Assigned – amounts intended to be used for specific purposes, as determined by the Board of Education. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

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

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

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

The District has adopted a minimum fund balance policy which requires the General Fund to maintain a minimum fund balance ranging from 10% to 20% of the prior year's actual expenditures.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect

the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as deferred inflows and deferred outflows of resources at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standards

The Government Accounting Standards Board issued Statements 63 and 65, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and Items Previously Reported as Assets and Liabilities*, which the government adopted effective July 1, 2012. The new standards provide guidance for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of net position and related disclosures.

Upcoming Accounting and Reporting Changes

The Government Accounting Standards Board has issued *Statements 67, Financial Reporting for Pension Plans and 68 Accounting and Financial Reporting for Pensions*. Statement 67 changes how public employee pension plans calculate and report their total pension liability. Statement 68 requires governments participating in public employee pension plans to recognize their portion of the long-term obligation for the pension benefits as a liability and to measure the annual costs of the pension benefits. The effect of these changes has not been determined. Statement 67 is effective for the year ending June 30, 2014 and Statement 68 is effective for the year ending June 30, 2015.

Oxford Community Schools
Notes to Financial Statements
June 30, 2013

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the School District to have its budget in place by July 1. A district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year. Individual amendments were not material in relation to the original appropriations.

Excess of Expenditures over Appropriations

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

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Pupil	\$ 2,502,445	\$ 2,539,452	\$ 37,007
Instructional staff	1,455,662	1,477,508	21,846
General administration	459,457	491,861	32,404
School administration	2,935,532	3,040,229	104,697
Business	595,680	615,577	19,897
Operations and maintenance	3,061,674	3,140,966	79,292
Athletics	772,878	823,138	50,260

Unrestricted Deficit

The District has an unrestricted deficit of \$11,199,121 as presented in the Statement of Net Position.

Compliance - Bond Proceeds

The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. The following is a summary of the revenue and expenditures in the Capital Projects 2010A from the inception of the funds through the current fiscal year:

	Capital Projects 2010A
Revenues	\$ 17,798,981
Expenditures	17,643,949

Oxford Community Schools
Notes to Financial Statements
June 30, 2013

Note 3 - Deposits

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

	Governmental Activities	Fiduciary Funds	Total Primary Government
Cash	<u>\$ 6,028,231</u>	<u>\$ 427,494</u>	<u>\$ 6,455,725</u>

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

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 6,454,097
Petty cash and cash on hand	<u>1,628</u>
Total	<u>\$ 6,455,725</u>

Interest rate risk – In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 12 months.

Credit risk – State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles.

Concentration of credit risk – The District's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the District's total investments.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year end, \$250,000 of the District's bank balance of \$6,550,408 was insured and collateralized.

Note 4 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 511,000	\$ -	\$ -	\$ 511,000
Construction in progress	<u>2,579,134</u>	<u>-</u>	<u>2,579,134</u>	<u>-</u>
Total capital assets not being depreciated	<u>3,090,134</u>	<u>-</u>	<u>2,579,134</u>	<u>511,000</u>
Capital assets being depreciated				
Buildings and additions	157,858,194	3,809,835	-	161,668,029
Equipment and furniture	9,141,948	593,337	-	9,735,285
Buses and other vehicles	<u>2,252,604</u>	<u>46,463</u>	<u>-</u>	<u>2,299,067</u>
Total capital assets being depreciated	<u>169,252,746</u>	<u>4,449,635</u>	<u>-</u>	<u>173,702,381</u>
Less accumulated depreciation for				
Buildings and additions	36,643,555	3,181,308	-	39,824,863
Equipment and furniture	6,566,757	703,736	-	7,270,493
Buses and other vehicles	<u>2,151,644</u>	<u>28,250</u>	<u>-</u>	<u>2,179,894</u>
Total accumulated depreciation	<u>45,361,956</u>	<u>3,913,294</u>	<u>-</u>	<u>49,275,250</u>
Net capital assets being depreciated	<u>123,890,790</u>	<u>536,341</u>	<u>-</u>	<u>124,427,131</u>
Net capital assets	<u>\$ 126,980,924</u>	<u>\$ 536,341</u>	<u>\$ 2,579,134</u>	<u>\$ 124,938,131</u>

Oxford Community Schools
Notes to Financial Statements
June 30, 2013

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

Governmental activities

Instruction	\$ 3,130,635
Support services	391,329
Food services	234,798
Community services	<u>156,532</u>
Total governmental activities	<u><u>\$ 3,913,294</u></u>

Construction Commitments

As of year end, the School District had no substantial construction contracts in progress.

Note 5 - Interfund Receivable and Payable and Transfers

Individual interfund receivable and payable balances at year end were:

<u>Due From Fund</u>	<u>Due to Fund</u>	<u>Amount</u>
General Fund	Nonmajor Funds	\$ 171,943
General Fund	2012 Debt Fund	9,250
Nonmajor Funds	Nonmajor Funds	<u>55</u>
		<u><u>\$ 181,248</u></u>

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

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

Interfund transfers were made during the year to transfer \$85,000 from the Food Service Fund to the General Fund. Additionally

\$45,000 was transferred from the Community Service Fund to the General Fund. These transferred were used to repay the General Fund for expenses incurred during the year.

Note 6 - Unearned Revenue

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

	<u>Unearned</u>
Grants	\$ 5,726
Childcare	14,110
Food service	<u>19,616</u>
Total	<u><u>\$ 39,452</u></u>

Note 7 - State Aid Anticipation Note

The School District issues a state aid anticipation notes in advance of state aid collections, depositing the proceeds in the General Fund. These notes are necessary because the School District receives state aid from October through the following August for its fiscal year ending June 30th.

Short-term debt activity for the year was as follows.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
State aid anticipation note	<u>\$ -</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>

Oxford Community Schools
Notes to Financial Statements
June 30, 2013

Note 8 - Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other long-term obligations include compensated absences, claims and judgments, termination benefits, and certain risk liabilities.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Government obligation bonds	\$ 109,771,061	\$ 40,910,000	\$ (15,550,828)	\$ 135,130,233	\$ 15,643,539
Durant bonds	35,675	-	(35,675)	-	-
School Bond Loan	27,637,514	14,348,265	(27,636,514)	14,349,265	-
Accrued interest on School Bond Loan Fund	13,042,461	113,390	(13,042,461)	113,390	-
Compensated absences	1,550,331	261,359	-	1,811,690	-
Retirement incentives	897,687	99,286	(348,872)	648,101	348,872
Premium on bonds	1,839,309	-	(177,859)	1,661,450	-
Discount on bonds	(156,912)	-	6,036	(150,876)	-
Total	\$ 154,617,126	\$ 55,732,300	\$ (56,786,173)	\$ 153,563,253	\$ 15,992,411

Deferred amount of refunding activity is summarized below:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Deferred amount on debt refunding	\$ (2,317,041)	\$ -	\$ 156,485	\$ (2,160,556)	\$ -

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

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

\$40,910,000 refunding bonds due in annual installments of \$10,230,000 to \$10,225,000 through May 1, 2016, interest at 2.25%	\$ 30,680,000
\$37,735,000 refunding bonds due in annual installments of \$2,060,000 to \$2,250,000 through May 1, 2025, interest at 3.60% to 5.00%	25,945,000
\$12,555,000 refunding bonds due in annual installments of \$2,445,000 to \$2,505,000 through May 1, 2018, interest at 4.00% to 5.00%	12,410,000
\$36,955,000 refunding bonds due in annual installments of \$100,000 to \$2,550,000 through May 1, 2031, interest at 4.00% to 5.50%	32,820,000
\$2,912,143 bonds due in annual installments of \$148,539 to \$365,053 through June 23, 2022, interest at 3.98%	2,340,233
\$17,735,000 serial bonds due in annual installments of \$600,000 \$5,735,000 through May 31, 2039, interest at 2.95% to 6.50%	15,935,000
\$15,000,000 serial bonds due in a single installment of \$15,000,000 on or before May 31, 2027, interest at 6.625%	<u>15,000,000</u>
Total general obligation bonded debt	<u>\$ 135,130,233</u>

Under the terms of the 2010 School Building and Site Bonds, Series B, the District is required to make mandatory sinking fund deposits of \$1,153,846 for years 2015 through 2027. These deposits will be held in trust to ensure there is sufficient money to pay the principal at maturity.

Oxford Community Schools
Notes to Financial Statements
June 30, 2013

Future principal and interest requirements for bonded debt are as follows:

	Principal	Interest	Total
Year Ending June 30,			
2014	\$ 15,643,539	\$ 5,952,358	\$ 21,595,897
2015	15,612,950	5,494,707	21,107,657
2016	15,694,087	5,032,682	20,726,769
2017	5,582,052	4,537,572	10,119,624
2018	5,566,947	4,289,024	9,855,971
2019-2023	28,090,658	17,483,159	45,573,817
2024-2028	31,730,000	10,725,473	42,455,473
2029-2033	11,475,000	3,020,881	14,495,881
2034-2038	5,735,000	2,236,650	7,971,650
Total	<u>\$ 135,130,233</u>	<u>\$ 58,772,506</u>	<u>\$ 193,902,739</u>

The general obligation bonds are payable from the Debt Service Funds. As of year end, the funds had a balance of \$339,925 to pay this debt. Future debt and interest will be payable from future tax levies.

2012 Refunding Bonds

During the year the District issued the 2012 Refunding Bonds for \$40,910,000 at 2.25% with principal payments due through May 1, 2016. The proceeds from these bonds were used to reduce the District's borrowing on the School Bond Loan Fund and related accrued interest. Future payments will be made from borrowing from the School Bond Revolving Fund.

State School Bond Loan

The State School Bond Loan consists of a borrowing agreement with the State of Michigan for the purpose of meeting the financing of current debt maturities on the School District's outstanding bond issues. The bond elections, as passed by the voters, specified that the School District debt millage would not exceed the pre-bond vote millage of 7.0 mills, but instead the elections permitted the School District to extend this levy. Since the monies generated by the 7.0 mills are presently not sufficient to cover the entire debt service

requirements of the School District, it has been necessary for the School District to borrow additional funds to meet debt service requirements. The School District has agreed to repay the loan amount with interest at rates and at times to be determined by the State Treasurer.

Compensated Absences

Accrued compensated absences at year end, consists of \$1,811,690 of vacation and sick hours earned and vested or estimated to be potentially vested. The entire vested amount is considered long-term as the amount expended each year is expected to be offset by sick time earned for the year.

Retirement Benefits

The School District offered a voluntary severance incentive plan to employees with remaining payments scheduled below. The balance as of year end was \$648,101.

Future payments are as follows:

Year Ending June 30,

2014	\$ 348,872
2015	<u>299,229</u>
Total	<u>\$ 648,101</u>

Defeased Debt

In prior years, the School District has defeased various bonds issued by creating separate irrevocable trust funds. New debt has been issued and the net proceeds of each refunding were placed in separate special escrow accounts and invested in securities of the U.S. Government and its agencies. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the refunded bonds are considered to be defeased. Accordingly, the trust account assets and liability for the

Oxford Community Schools
Notes to Financial Statements
June 30, 2013

deceased bonds are not included in the School District's financial statements.

The final payment date is 2025. As of year end, the amount of deceased debt outstanding but removed from the School District's financial statements is as follows:

1996 Debt Issue	\$ 27,790,000
2001 School Building	12,410,000
2001 School Building and Site Bonds	<u>31,775,000</u>
Total	<u>\$ 71,975,000</u>

Note 9 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The School District has purchased commercial insurance for health claims (excluding dental) and participates in SET-SEG (risk pool) for claims relating to worker' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The shared-risk pool program operates as a common risk-sharing management program for school districts in Michigan. Member's premiums are used to purchase commercial excess insurance coverage and pay members claims in excess of deductible amounts.

The School District is self insured for dental claims. The District estimates the liability for dental claims that have been reported as well as those that have not been reported. The obligation is not material to the financial statements.

The School District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the School District must reimburse

the Employment Commission for all benefits charged against the District. The School District had no significant unemployment compensation expense for the year and has made no provision for possible future claims.

Note 10 - Pension Plans and Post Employment Benefits

Plan Description

The School District has a group of defined benefit and defined contribution retirement plans covering substantially all employees. The plans are operated by the State of Michigan's Public School Employees' Retirement System (MPERS), which is a cost-sharing multiple-employer public employee retirement system (PERS).

The plans provide retirement, survivor and disability benefits to plan members and their beneficiaries.

MPERS operates within the Michigan Department of Technology, Management and Budget, Office of Retirement Services, under the authority established by the Michigan Public School Employees Retirement Act (Retirement Act), as enacted and amended by the Michigan Legislature. The Michigan Legislature has the authority to amend the Retirement Act. The Michigan Department of Technology, Management and Budget issues a publicly-available financial report that includes financial statements and required supplemental information for MPERS. The report provides information for the plans as a whole and information helpful for understanding the scale of the information presented relative to the School District. That report may be obtained by writing Office of Retirement Services, P.O. Box 30171, Lansing, Michigan 48909-7671, calling 800-381-5111 or on the web at <http://www.michigan.gov/orsschools>.

In 2010 the Michigan legislature created a new Pension Plus plan under MPERS. All eligible Michigan public school employees who began work on or after July 1, 2010, are enrolled in the Pension Plus plan. The Pension Plus plan includes two components: (a) a defined

Oxford Community Schools

Notes to Financial Statements

June 30, 2013

benefit pension component including an employee contribution, and (b) a defined contribution savings component.

In September 2012, the Michigan legislature enacted additional changes (2012 Retirement Reform) to the Retirement Act, with different aspects becoming effective in late 2012 and early 2013. With these changes MPSERS offers eight retirement plans: Basic, Member Investment Plan (MIP), Basic 4%, MIP 7%, Basic DC Converted, MIP DC Converted, Pension Plus, and the Defined Contribution (DC) plan. Multiple options exist within some of these plans.

Full details on each of these plans are available on the MPSERS website at the address provided above.

Funding Policy

For the defined benefit plans the District is required by state law to contribute to MPSERS an actuarially determined percentage of payroll for all eligible participating employees. The District's actual contributions match the required contributions. Additionally, employees participating in the various defined benefit pension plans contribute the following amounts of their pretax salaries: (a) Member Investment Plan participants contribute 3% to 6.4%; (b) Basic 4% participants contribute 4%; and (c) MIP 7% participants contribute 3.9% to 7%. The following table discloses pertinent information relative to MPSERS defined benefit pension retirement plan funding for the three-year period beginning July 1, 2010 through June 30, 2013.

	2013	2012	2011
Funding percentage range	12.78 - 16.25 %	10.66- 15.96%	8.63-12.16%
School district defined benefit pension contributions	<u>\$ 3,811,656</u>	<u>\$ 3,688,951</u>	<u>\$ 3,116,760</u>

Defined Contribution Savings Plans

For the Pension Plus savings plan, eligible participants are automatically enrolled and 2% of their pay is withheld and deposited

into the account. Participants may elect to not contribute, or may elect to increase their personal contribution up to the annual limits established by the IRS. The District matches 50 percent of the employee contributions into the Pension Plus savings plan, up to 1 percent. Participants opting to not contribute receive no employer matching contribution. Participants in the Basic DC Converted and MIP DC Converted plans receive 4% employer contributions to a tax-deferred 401(k) plan. The Defined Contribution Plan provides a 50% employer match (up to 3% of salary) on employee contributions. Participants in any of these defined contribution options may elect to make contributions to a tax-deferred 457 account up to the maximum amounts permitted by the IRS.

Contributions by the District and participants during the year ended June 30, 2013, were:

	District	Participants
Contributions to		
Pension Plus Savings Plan	\$ 16,025	24,571
Basic DC Converted and		
MIP DC Converted Plans	10,661	16,346
Defined Contribution Plan	<u>470</u>	<u>603</u>
Total	<u>\$ 27,156</u>	<u>\$ 41,520</u>

Post Employment Benefits

In addition to the pension benefits described above, state law requires the District to provide post-retirement healthcare benefits for eligible retirees and beneficiaries through MPSERS.

The 2012 Retirement Reform included changes to retiree healthcare benefits. New employees hired after the effective date who elect this benefit are enrolled in the defined contribution Personal Healthcare Fund. This establishes a portable tax-deferred account in which the participant contributes 2% of their salary, and receives a 2% employer match. These funds can be used to pay for healthcare expenses in retirement.

Oxford Community Schools
Notes to Financial Statements
June 30, 2013

Employees working prior to the enactment of the 2012 Retirement Reform have two options: (a) the Personal Healthcare Fund, or (b) the defined benefit Premium Subsidy benefit.

Employees electing the defined benefit Premium Subsidy benefit contribute 3% of their compensation, and the employer contributes an actuarially determined percent of payroll for all participants. Upon retirement members receive a premium subsidy towards health, dental and vision insurance. The subsidy is a percent of the premium cost, with the percentage varying based on several factors.

The District's actual contributions match the required contributions.

The following table discloses pertinent information relative to the District's MPSERS defined benefit post employment benefits funding for the three-year period beginning July 1, 2010 through June 30, 2013.

	2013	2012	2011
Funding percentage range	8.18 - 9.11 %	8.50 %	6.81- 8.50 %
School district defined benefit post employment benefit plan contributions	<u>\$ 2,136,873</u>	<u>\$ 1,900,369</u>	<u>\$ 1,605,603</u>

Contributions by the District and participants to the MPSERS defined contribution Personal Healthcare Fund during the year ended June 30, 2013, were:

	School District	Participants
Contributions to the Personal Healthcare Fund	<u>\$ 14,837</u>	<u>\$ 16,687</u>

Unfunded Accrued Actuarial Liability

During the year ended June 30, 2013, the District had contributions in the amount of \$455,535 to the Michigan Public School Employee Retirement System (MPSERS). This amount represents the

additional employer contributions attributed to the unfunded accrued actuarial liability (UAAL) rate, which was 4.56% for the year. These contributions are not included in the above tables.

Note 11 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the fiscal year June 30, 2013.

Note 12 - Subsequent Events

Subsequent to year end, the School District repaid the state aid anticipation note of \$3,000,000 that was outstanding at the end of the year. In addition, the District borrowed \$4,000,000 in state aid anticipation notes that is due August 2014.

REQUIRED SUPPLEMENTAL INFORMATION

Oxford Community Schools
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources	\$ 4,609,345	\$ 4,755,383	\$ 4,715,507	\$ (39,876)
State sources	35,724,285	37,212,638	37,727,317	514,679
Federal sources	1,820,138	2,033,117	1,919,348	(113,769)
Interdistrict sources	<u>1,753,100</u>	<u>1,765,400</u>	<u>1,775,243</u>	<u>9,843</u>
 Total revenues	 <u>43,906,868</u>	 <u>45,766,538</u>	 <u>46,137,415</u>	 <u>370,877</u>

Oxford Community Schools
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures				
Instruction				
Basic programs	\$ 23,406,653	\$ 24,501,335	\$ 24,202,803	\$ (298,532)
Added needs	5,665,917	5,549,032	5,373,589	(175,443)
Supporting services				
Pupil	2,252,534	2,502,445	2,539,452	37,007
Instructional staff	1,553,172	1,455,662	1,477,508	21,846
General administration	498,286	459,457	491,861	32,404
School administration	2,893,377	2,935,532	3,040,229	104,697
Business	509,635	595,680	615,577	19,897
Operations and maintenance	3,079,268	3,061,674	3,140,966	79,292
Pupil transportation services	2,051,731	1,994,946	1,961,454	(33,492)
Central	1,599,556	1,849,464	1,743,645	(105,819)
Athletics	793,046	772,878	823,138	50,260
Other	103,202	168,932	162,768	(6,164)
Community services	4,689	23,910	19,920	(3,990)
Intergovernmental payments	400,000	361,000	323,752	(37,248)
Capital outlay	429,720	874,268	820,625	(53,643)
Debt service				
Principal	125,762	125,762	125,828	66
Interest and fiscal charges	96,196	96,196	96,129	(67)
 Total expenditures	 <u>45,462,744</u>	 <u>47,328,173</u>	 <u>46,959,244</u>	 <u>(368,929)</u>
 Excess (Deficiency) of revenues over expenditures	 <u>(1,555,876)</u>	 <u>(1,561,635)</u>	 <u>(821,829)</u>	 <u>739,806</u>

Oxford Community Schools
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other financing sources				
Transfers in	<u>\$ 30,000</u>	<u>\$ 135,000</u>	<u>\$ 130,000</u>	<u>\$ (5,000)</u>
Net change in fund balance	(1,525,876)	(1,426,635)	(691,829)	734,806
Fund balance - beginning	<u>5,826,147</u>	<u>5,826,147</u>	<u>5,826,147</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 4,300,271</u></u>	<u><u>\$ 4,399,512</u></u>	<u><u>\$ 5,134,318</u></u>	<u><u>\$ 734,806</u></u>

OTHER SUPPLEMENTAL INFORMATION

Oxford Community Schools
Other Supplemental Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2013

	Special Revenue Funds		Debt Service Funds							Capital Projects Fund	Total Nonmajor Governmental Funds
	Cafeteria	Community Services	2003 Debt	2004 Debt	2005 Debt	2006 Debt	2010A Debt	2010B Debt	Durant	Capital Projects 2010A	
Assets											
Cash	\$ 348,759	\$ 114,279	\$ -	\$ 9,495	\$ 3,823	\$ 2,664	\$ 222,699	\$ 7,334	\$ -	\$ 155,087	\$ 864,140
Accounts receivable	450	22,417	-	-	-	-	-	-	-	-	22,867
Due from other funds	99,328	19,368	-	18,860	4,265	19,646	9,443	1,088	-	-	171,998
Due from other governmental units	5,458	22,032	-	-	-	-	-	-	-	-	27,490
Inventory	71,794	-	-	-	-	-	-	-	-	-	71,794
Total assets	\$ 525,789	\$ 178,096	\$ -	\$ 28,355	\$ 8,088	\$ 22,310	\$ 232,142	\$ 8,422	\$ -	\$ 155,087	\$ 1,158,289
Liabilities											
Accounts payable	\$ 1,006	\$ 1,421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,427
Due to other funds	-	-	-	-	-	-	-	-	-	55	55
Payroll and related withholdings	2,994	4,327	-	-	-	-	-	-	-	-	7,321
Accrued salaries payable	9,306	13,370	-	-	-	-	-	-	-	-	22,676
Unearned revenues	19,616	14,110	-	-	-	-	-	-	-	-	33,726
Total liabilities	32,922	33,228	-	-	-	-	-	-	-	55	66,205
Deferred Inflows of Resources											
Unavailable revenue											
Community services	-	7,061	-	-	-	-	-	-	-	-	7,061
Fund Balance											
Non-spendable											
Inventory	71,794	-	-	-	-	-	-	-	-	-	71,794
Prepaid items	-	-	-	-	-	-	-	-	-	-	-
Restricted for:											
Cafeteria	421,073	-	-	-	-	-	-	-	-	-	421,073
Debt service	-	-	-	28,355	8,088	22,310	232,142	8,422	-	-	299,317
Capital projects	-	-	-	-	-	-	-	-	-	155,032	155,032
Committed for:											
Community services	-	137,807	-	-	-	-	-	-	-	-	137,807
Total fund balance	492,867	137,807	-	28,355	8,088	22,310	232,142	8,422	-	155,032	1,085,023
Total liabilities, deferred inflows of resources, and fund balance	\$ 525,789	\$ 178,096	\$ -	\$ 28,355	\$ 8,088	\$ 22,310	\$ 232,142	\$ 8,422	\$ -	\$ 155,087	\$ 1,158,289

Oxford Community Schools
Other Supplemental Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2013

	Special Revenue Funds		Debt Service Funds							Capital Projects Fund	Total Nonmajor Governmental Funds
	Cafeteria	Community Services	2003 Debt	2004 Debt	2005 Debt	2006 Debt	2010A Debt	2010B Debt	Durant	Capital Projects 2010A	
Revenues											
Local sources	\$ 1,070,593	\$ 1,007,853	\$ 87,516	\$ 1,771,834	\$ 442,702	\$ 1,947,891	\$ 929,698	\$ 106,260	\$ -	\$ 2,114	\$ 7,366,461
State sources	84,670	140,884	-	-	-	-	-	-	37,374	-	262,928
Federal sources	650,102	-	-	-	-	-	323,776	870,000	-	-	1,843,878
Total revenues	1,805,365	1,148,737	87,516	1,771,834	442,702	1,947,891	1,253,474	976,260	37,374	2,114	9,473,267
Expenditures											
Current											
Education											
Food services	1,641,860	-	-	-	-	-	-	-	-	-	1,641,860
Community services	-	1,024,304	-	-	-	-	-	-	-	-	1,024,304
Capital outlay	-	-	-	-	-	-	-	-	-	1,953,254	1,953,254
Debt service											
Principal	-	-	120,000	1,965,000	-	2,510,000	600,000	-	35,675	-	5,230,675
Interest and other expenditures	-	-	7,301	1,388,792	607,936	1,619,230	951,447	996,792	1,699	-	5,573,197
Total expenditures	1,641,860	1,024,304	127,301	3,353,792	607,936	4,129,230	1,551,447	996,792	37,374	1,953,254	15,423,290
Excess (deficiency) of revenues over expenditures	163,505	124,433	(39,785)	(1,581,958)	(165,234)	(2,181,339)	(297,973)	(20,532)	-	(1,951,140)	(5,950,023)
Other financing sources (uses)											
Proceeds from school bond loan fund	-	-	39,785	1,610,313	173,322	2,203,649	186,010	28,954	-	-	4,242,033
Transfers out	(85,000)	(45,000)	-	-	-	-	-	-	-	-	(130,000)
Total other financing sources (uses)	(85,000)	(45,000)	39,785	1,610,313	173,322	2,203,649	186,010	28,954	-	-	4,112,033
Net change in fund balance	78,505	79,433	-	28,355	8,088	22,310	(111,963)	8,422	-	(1,951,140)	(1,837,990)
Fund balance - beginning	414,362	58,374	-	-	-	-	344,105	-	-	2,106,172	2,923,013
Fund balance - ending	\$ 492,867	\$ 137,807	\$ -	\$ 28,355	\$ 8,088	\$ 22,310	\$ 232,142	\$ 8,422	\$ -	\$ 155,032	\$ 1,085,023

Oxford Community Schools
Other Supplemental Information
General Fund
Comparative Balance Sheet
June 30, 2013

	<u>2013</u>	<u>2012</u>
Assets		
Cash	\$ 5,132,733	\$ 4,805,255
Accounts receivable	27,207	7,426
Due from other funds	-	20,822
Due from other governmental units	7,780,637	6,846,335
Prepaid items	<u>48,995</u>	<u>471,577</u>
Total assets	<u><u>\$ 12,989,572</u></u>	<u><u>\$ 12,151,415</u></u>
Liabilities and fund balance		
Liabilities		
Accounts payable	\$ 312,676	\$ 1,481,004
State aid anticipation note payable	3,000,000	-
Due to other funds	181,193	476,654
Due to other governmental units	455,536	3,481
Payroll deductions and withholdings	1,191,057	1,458,532
Accrued expenditures	28,185	-
Accrued salaries payable	2,680,881	1,824,392
Unearned revenues	<u>5,726</u>	<u>48,916</u>
Total liabilities	<u><u>7,855,254</u></u>	<u><u>5,292,979</u></u>
Fund Balance		
Non-spendable		
Prepaid items	48,995	471,577
Assigned for		
Long-term obligations	<u>5,085,323</u>	<u>6,386,859</u>
Total fund balance	<u><u>5,134,318</u></u>	<u><u>6,858,436</u></u>
Total liabilities and fund balance	<u><u>\$ 12,989,572</u></u>	<u><u>\$ 12,151,415</u></u>

Oxford Community Schools
Other Supplemental Information
General Fund
Schedule of Revenues Compared to Budget
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue from local sources				
Property tax levy	\$ 4,018,345	\$ 4,091,191	\$ 4,012,245	\$ (78,946)
Tuition	182,500	225,970	250,661	24,691
Interest earnings	-	-	191	191
Student activities	126,000	112,932	110,716	(2,216)
Other local revenues	282,500	325,290	341,694	16,404
Total revenues from local sources	4,609,345	4,755,383	4,715,507	(39,876)
Revenues from state sources				
Grants	32,159,707	33,669,422	33,742,451	73,029
Grants - restricted	3,564,578	3,543,216	3,984,866	441,650
Total revenues from state sources	35,724,285	37,212,638	37,727,317	514,679
Revenues from federal sources				
Grants	1,820,138	2,033,117	1,919,348	(113,769)
Interdistrict sources				
Tuition	10,000	10,000	12,352	2,352
ISD collected millage	1,670,400	1,670,400	1,670,432	32
Cooperative education	-	50,000	56,363	6,363
Other	72,700	35,000	36,096	1,096
Total interdistrict sources	1,753,100	1,765,400	1,775,243	9,843
Other financing sources				
Transfers in	30,000	135,000	130,000	(5,000)
Total revenue and other financing sources	\$ 43,936,868	\$ 45,901,538	\$ 46,267,415	\$ 365,877

Oxford Community Schools
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Basic program - elementary				
Salaries	\$ 6,698,949	\$ 6,656,851	\$ 6,583,166	\$ (73,685)
Employee benefits	3,694,154	3,517,485	3,557,594	40,109
Purchased services	342,400	368,400	408,060	39,660
Supplies and materials	302,065	302,223	267,012	(35,211)
Other	5,070	4,100	1,980	(2,120)
Total elementary	11,042,638	10,849,059	10,817,812	(31,247)
Basic program - middle school				
Salaries	2,804,064	2,980,617	2,895,693	(84,924)
Employee benefits	1,548,465	1,558,247	1,525,810	(32,437)
Purchased services	101,600	101,600	116,225	14,625
Supplies and materials	125,346	145,772	131,656	(14,116)
Other	1,500	3,764	3,676	(88)
Total middle school	4,580,975	4,790,000	4,673,060	(116,940)
Basic program - high school				
Salaries	4,254,797	4,573,398	4,504,847	(68,551)
Employee benefits	2,345,667	2,264,137	2,316,200	52,063
Purchased services	620,376	1,529,662	1,496,838	(32,824)
Supplies and materials	495,700	403,964	337,494	(66,470)
Other	66,500	26,800	17,323	(9,477)
Total high school	7,783,040	8,797,961	8,672,702	(125,259)

Oxford Community Schools
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Basic program - summer school				
Salaries	\$ -	\$ 46,294	\$ 28,366	\$ (17,928)
Employee benefits	-	17,021	9,815	(7,206)
Supplies and materials	-	1,000	1,048	48
Total summer school	-	64,315	39,229	(25,086)
Added needs - special education				
Salaries	2,365,168	2,416,965	2,373,421	(43,544)
Employee benefits	1,299,698	1,340,626	1,331,578	(9,048)
Purchased services	67,464	64,971	126,307	61,336
Supplies and materials	47,500	134,219	81,904	(52,315)
Other	-	1,000	905	(95)
Total special education	3,779,830	3,957,781	3,914,115	(43,666)
Added needs - compensatory education				
Salaries	535,371	457,974	381,297	(76,677)
Employee benefits	294,522	135,216	136,609	1,393
Purchased services	39,504	18,913	18,649	(264)
Supplies and materials	121,287	70,178	72,175	1,997
Total compensatory education	990,684	682,281	608,730	(73,551)
Added needs - career and technical education				
Salaries	470,397	466,490	432,619	(33,871)
Employee benefits	258,491	253,120	246,831	(6,289)
Purchased services	48,775	58,984	61,543	2,559
Supplies and materials	117,740	130,376	109,751	(20,625)
Total career and technical education	895,403	908,970	850,744	(58,226)

Oxford Community Schools
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Pupil - truancy/absenteeism services				
Salaries	\$ 44,415	\$ 36,000	\$ 34,615	\$ (1,385)
Employee benefits	15,554	28,327	29,127	800
Total truancy/absenteeism services	59,969	64,327	63,742	(585)
Pupil - guidance services				
Salaries	495,043	457,701	453,561	(4,140)
Employee benefits	272,034	235,725	249,882	14,157
Purchased services	150	-	-	-
Supplies and materials	500	1,500	1,056	(444)
Total guidance services	767,727	694,926	704,499	9,573
Pupil - health services				
Salaries	3,419	-	-	-
Employee benefits	1,198	-	-	-
Purchased services	133,450	161,080	168,454	7,374
Supplies and materials	500	-	-	-
Total health services	138,567	161,080	168,454	7,374
Pupil - psychological services				
Salaries	160,212	199,780	200,636	856
Employee benefits	88,039	104,314	106,358	2,044
Purchased services	22,500	26,500	25,995	(505)
Supplies and materials	3,000	2,703	-	(2,703)
Total psychological services	273,751	333,297	332,989	(308)

Oxford Community Schools
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Pupil - speech services				
Salaries	\$ 239,120	\$ 296,598	\$ 286,100	\$ (10,498)
Employee benefits	131,401	168,054	164,163	(3,891)
Purchased services	800	800	648	(152)
Supplies and materials	1,500	1,500	9	(1,491)
Total speech services	372,821	466,952	450,920	(16,032)
Pupil - social work services				
Salaries	285,524	318,302	320,597	2,295
Employee benefits	156,901	153,669	144,697	(8,972)
Purchased services	1,200	1,200	924	(276)
Supplies and materials	1,000	286	96	(190)
Total social work services	444,625	473,457	466,314	(7,143)
Pupil - teacher consultant				
Salaries	82,864	66,116	98,324	32,208
Employee benefits	45,535	46,089	50,039	3,950
Purchased services	800	800	744	(56)
Supplies and materials	500	-	-	-
Total teacher consultant	129,699	113,005	149,107	36,102
Pupil - other support services				
Salaries	15,375	26,072	33,851	7,779
Employee benefits	-	9,416	11,458	2,042
Purchased services	50,000	155,913	154,322	(1,591)
Supplies and materials	-	4,000	3,796	(204)
Total other pupil support services	65,375	195,401	203,427	8,026

Oxford Community Schools
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Instructional staff - improvement of education				
Salaries	\$ 34,654	\$ 28,945	\$ 28,204	\$ (741)
Employee benefits	29,043	19,840	11,944	(7,896)
Purchased services	200,090	290,086	243,557	(46,529)
Supplies and materials	109,325	56,888	66,784	9,896
Other	81,000	88,000	85,725	(2,275)
Total improvement of education	454,112	483,759	436,214	(47,545)
Instructional staff - educational media services				
Salaries	219,691	152,353	190,765	38,412
Employee benefits	120,723	119,560	149,665	30,105
Purchased services	-	-	3,058	3,058
Supplies and materials	17,617	18,617	19,811	1,194
Total educational media services	358,031	290,530	363,299	72,769
Instructional staff - educational television				
Salaries	15,375	10,000	10,000	-
Employee benefits	5,384	3,221	3,513	292
Total educational television	20,759	13,221	13,513	292
Instructional staff - technology assisted instruction				
Purchased services	15,000	26,296	23,267	(3,029)

Oxford Community Schools
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Instructional staff - supervision and direction of instructional staff				
Salaries	\$ 358,609	\$ 364,717	\$ 367,529	\$ 2,812
Employee benefits	265,561	185,614	196,155	10,541
Purchased services	77,700	87,650	76,445	(11,205)
Supplies and materials	2,900	3,700	1,086	(2,614)
Other	500	-	-	-
Total supervision and direction of instructional staff	705,270	641,681	641,215	(466)
Instructional staff - academic student assessment				
Supplies and materials	-	175	-	(175)
General administration - board of education				
Salaries	5,880	5,880	6,810	930
Employee benefits	450	464	542	78
Purchased services	92,000	69,500	109,211	39,711
Other	13,750	8,750	8,476	(274)
Total board of education	112,080	84,594	125,039	40,445
General administration - executive administration				
Salaries	200,873	203,789	200,463	(3,326)
Employee benefits	124,383	102,855	106,834	3,979
Purchased services	13,450	18,450	14,991	(3,459)
Supplies and materials	5,000	3,000	2,630	(370)
Other	42,500	46,769	41,904	(4,865)
Total executive administration	386,206	374,863	366,822	(8,041)

Oxford Community Schools
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
School administration - office of the principal				
Salaries	\$ 1,888,003	\$ 1,924,366	\$ 1,963,660	\$ 39,294
Employee benefits	969,161	956,696	1,031,234	74,538
Purchased services	3,000	3,000	1,186	(1,814)
Supplies and materials	32,813	38,868	33,709	(5,159)
Other	400	12,602	10,440	(2,162)
Total office of the principal	2,893,377	2,935,532	3,040,229	104,697
Business - fiscal services				
Salaries	104,442	85,260	86,401	1,141
Employee benefits	57,393	53,079	57,651	4,572
Purchased services	233,400	288,841	294,326	5,485
Supplies and materials	18,000	11,000	5,447	(5,553)
Other	4,500	4,500	2,548	(1,952)
Total fiscal services	417,735	442,680	446,373	3,693
Business - other				
Purchased services	8,400	-	-	-
Other	83,500	153,000	169,204	16,204
Total other	91,900	153,000	169,204	16,204

Oxford Community Schools
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Operations and maintenance - operating building services				
Salaries	\$ 161,578	\$ 152,271	\$ 152,875	\$ 604
Employee benefits	128,790	124,029	125,137	1,108
Purchased services	1,708,600	1,778,822	1,742,416	(36,406)
Supplies and materials	1,077,800	1,005,052	1,119,958	114,906
Other	2,500	1,500	580	(920)
Total operating building services	3,079,268	3,061,674	3,140,966	79,292
Pupil transportation services				
Salaries	1,060,445	1,046,094	994,543	(51,551)
Employee benefits	576,186	555,972	574,634	18,662
Purchased services	69,100	69,880	53,447	(16,433)
Supplies and materials	343,500	319,500	335,212	15,712
Other	2,500	3,500	3,618	118
Total transportation services	2,051,731	1,994,946	1,961,454	(33,492)
Central - planning, research development and evaluation				
Supplies and materials	15,000	-	-	-
Central - communication services				
Salaries	75,550	96,670	91,183	(5,487)
Employee benefits	41,516	48,202	49,278	1,076
Purchased services	120,000	115,500	87,983	(27,517)
Supplies and materials	19,000	22,500	15,783	(6,717)
Total communication services	256,066	282,872	244,227	(38,645)

Oxford Community Schools
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Central - staff/personnel services				
Salaries	\$ 219,418	\$ 221,019	\$ 221,019	\$ -
Employee benefits	130,574	126,809	134,053	7,244
Purchased services	23,600	20,534	17,474	(3,060)
Supplies and materials	5,100	2,349	537	(1,812)
Other	1,300	1,300	953	(347)
Total staff/personnel services	379,992	372,011	374,036	2,025
Central - support services technology				
Salaries	405,655	404,956	413,318	8,362
Employee benefits	222,913	253,451	269,902	16,451
Purchased services	155,000	279,458	187,089	(92,369)
Supplies and materials	10,000	10,100	10,068	(32)
Total support services technology	793,568	947,965	880,377	(67,588)
Central - pupil accounting				
Salaries	97,340	122,622	123,010	388
Employee benefits	53,490	91,694	90,609	(1,085)
Purchased services	600	300	200	(100)
Supplies and materials	2,000	1,500	1,005	(495)
Other	1,500	500	181	(319)
Total pupil accounting	154,930	216,616	215,005	(1,611)
Central - other				
Purchased services	-	30,000	30,000	-

Oxford Community Schools
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Athletic activities				
Salaries	\$ 297,716	\$ 292,605	\$ 323,407	\$ 30,802
Employee benefits	135,009	120,594	146,216	25,622
Purchased services	289,671	288,532	285,629	(2,903)
Supplies and materials	70,650	71,147	67,886	(3,261)
Total athletic activities	793,046	772,878	823,138	50,260
Other supporting services				
Salaries	12,000	12,000	10,154	(1,846)
Employee benefits	4,202	4,381	4,009	(372)
Purchased services	18,000	35,286	32,423	(2,863)
Supplies and materials	1,500	10,765	10,938	173
Other	67,500	106,500	105,244	(1,256)
Total other supporting services	103,202	168,932	162,768	(6,164)
Community services - community recreation				
Salaries	-	500	500	-
Employee benefits	-	167	174	7
Purchased services	-	2,000	1,680	(320)
Supplies and materials	-	5,300	4,441	(859)
Total community recreation	-	7,967	6,795	(1,172)
Community services - community activities				
Salaries	1,000	-	-	-
Employee benefits	350	-	-	-
Purchased services	-	4,993	3,053	(1,940)
Supplies and materials	839	8,450	7,572	(878)
Other	2,500	2,500	2,500	-
Total community activities	4,689	15,943	13,125	(2,818)

Oxford Community Schools
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Intergovernmental payments				
Payments to other public schools	\$ 400,000	\$ 361,000	\$ 323,752	\$ (37,248)
Capital outlay				
Basic program - elementary	-	13,200	13,194	(6)
Basic program - middle school	45,000	52,225	48,310	(3,915)
Basic program - high school	103,000	186,119	162,494	(23,625)
Added needs - special education	-	500	500	-
Added needs - career and technical education	54,720	52,482	52,482	-
Instructional staff - improvement of education	25,000	28,000	27,252	(748)
Business - fiscal services	1,000	-	-	-
Operations and maintenance - operating building services	10,000	7,500	-	(7,500)
Pupil transportation services	84,000	69,000	54,188	(14,812)
Central - communication services	-	8,000	7,968	(32)
Central - support services technology	50,000	89,242	84,653	(4,589)
Athletic services	7,000	7,000	7,325	325
Building improvements	50,000	361,000	362,259	1,259
Total capital outlay	429,720	874,268	820,625	(53,643)
Debt service				
Principal	125,762	125,762	125,828	66
Interest and other expenditures	96,196	96,196	96,129	(67)
Total debt service	221,958	221,958	221,957	(1)
Total expenditures and financing uses	\$ 45,462,744	\$ 47,328,173	\$ 46,959,244	\$ (368,929)

Oxford Community Schools
Other Supplemental Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2013

2004 Refunding Issue

<u>Year Ending June 30,</u>	<u>Interest Rate (Percent)</u>	<u>Interest Due November 1</u>	<u>Interest Due May 1</u>	<u>Principal Due May 1</u>	<u>Total</u>
2014	3.600	\$ 621,075	\$ 621,075	\$ 2,060,000	\$ 3,302,150
2015	3.700	583,995	583,995	2,020,000	3,187,990
2016	5.000	546,625	546,625	2,085,000	3,178,250
2017	5.000	494,500	494,500	2,175,000	3,164,000
2018	5.000	440,125	440,125	2,165,000	3,045,250
2019	5.000	386,000	386,000	2,250,000	3,022,000
2020	5.000	329,750	329,750	2,235,000	2,894,500
2021	5.000	273,875	273,875	2,220,000	2,767,750
2022	5.000	218,375	218,375	2,205,000	2,641,750
2023	5.000	163,250	163,250	2,190,000	2,516,500
2024	5.000	108,500	108,500	2,180,000	2,397,000
2025	5.000	<u>54,000</u>	<u>54,000</u>	<u>2,160,000</u>	<u>2,268,000</u>
Total		<u>\$ 4,220,070</u>	<u>\$ 4,220,070</u>	<u>\$ 25,945,000</u>	<u>\$ 34,385,140</u>

Oxford Community Schools
Other Supplemental Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2013

2005 Refunding Issue

<u>Year Ending June 30,</u>	<u>Interest Rate (Percent)</u>	<u>Interest Due November 1</u>	<u>Interest Due May 1</u>	<u>Principal Due May 1</u>	<u>Total</u>
2014	5.000	\$ 297,850	\$ 297,850	\$ 2,505,000	\$ 3,100,700
2015	5.000	235,225	235,225	2,495,000	2,965,450
2016	5.000	172,850	172,850	2,485,000	2,830,700
2017	4.000	110,725	110,725	2,480,000	2,701,450
2018	5.000	<u>61,125</u>	<u>61,125</u>	<u>2,445,000</u>	<u>2,567,250</u>
Total		<u>\$ 877,775</u>	<u>\$ 877,775</u>	<u>\$ 12,410,000</u>	<u>\$ 14,165,550</u>

Oxford Community Schools
Other Supplemental Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2013

2006 Refunding Issue

<u>Year Ending June 30,</u>	<u>Interest Rate (Percent)</u>	<u>Interest Due November 1</u>	<u>Interest Due May 1</u>	<u>Principal Due May 1</u>	<u>Total</u>
2014	4.000	\$ 714,058	\$ 714,058	\$ 100,000	\$ 1,528,116
2015	5.000	712,058	712,058	100,000	1,524,116
2016	5.000	709,558	709,558	100,000	1,519,116
2017	4.000	707,058	707,058	100,000	1,514,116
2018	4.000	705,058	705,058	100,000	1,510,116
2019	4.000	703,058	703,058	2,550,000	3,956,116
2020	4.200	652,058	652,058	2,530,000	3,834,116
2021	4.500	598,928	598,928	2,515,000	3,712,856
2022	4.500	542,340	542,340	2,535,000	3,619,680
2023	4.125	485,303	485,303	2,525,000	3,495,606
2024	4.125	433,225	433,225	2,505,000	3,371,450
2025	4.500	381,559	381,559	2,490,000	3,253,118
2026	4.500	325,534	325,534	2,475,000	3,126,068
2027	4.500	269,847	269,847	2,465,000	3,004,694
2028	4.500	214,384	214,384	2,455,000	2,883,768
2029	4.500	159,147	159,147	2,440,000	2,758,294
2030	4.250	104,247	104,247	2,430,000	2,638,494
2031	4.375	52,609	52,609	2,405,000	2,510,218
Total		<u>\$ 8,470,029</u>	<u>\$ 8,470,029</u>	<u>\$ 32,820,000</u>	<u>\$ 49,760,058</u>

Oxford Community Schools
Other Supplemental Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2013

2007 Energy Bond

Year Ending June 30,	Interest Rate (Percent)	Interest Due May 1	Principal Due May 1	Total
2014	3.980	\$ 90,767	\$ 148,539	\$ 239,306
2015	3.980	84,400	172,950	257,350
2016	3.980	77,029	199,087	276,116
2017	3.980	68,581	227,052	295,633
2018	3.980	58,983	256,947	315,930
2019	3.980	48,155	288,884	337,039
2020	3.980	36,013	322,978	358,991
2021	3.980	22,470	359,351	381,821
2022	3.980	<u>7,422</u>	<u>364,445</u>	<u>371,867</u>
Total		<u>\$ 493,820</u>	<u>\$ 2,340,233</u>	<u>\$ 2,834,053</u>

Oxford Community Schools
Other Supplemental Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2013

2010 School Building and Site Bonds, Series A

<u>Year Ending June 30,</u>	<u>Interest Rate (Percent)</u>	<u>Interest Due November 1</u>	<u>Interest Due May 1</u>	<u>Principal Due May 1</u>	<u>Total</u>
2014	2.950	\$ 455,788	\$ 455,788	\$ 600,000	\$ 1,511,576
2015	3.350	446,938	446,938	600,000	1,493,876
2016	3.850	436,888	436,888	600,000	1,473,776
2017	4.500	425,338	425,338	600,000	1,450,676
2018	4.850	411,838	411,838	600,000	1,423,676
2019	5.050	397,288	397,288	600,000	1,394,576
2020	5.200	382,138	382,138	600,000	1,364,276
2021	5.500	366,538	366,538	600,000	1,333,076
2022	5.500	350,638	350,638	-	701,276
2023	5.500	350,638	350,638	1,200,000	1,901,276
2024	6.250	317,638	317,638	-	635,276
2025	6.250	317,638	317,638	-	635,276
2026	6.250	317,638	317,638	-	635,276
2027	6.250	317,638	317,638	-	635,276
2028	6.250	317,638	317,638	-	635,276
2029	6.250	317,638	317,638	-	635,276
2030	6.250	317,638	317,638	4,200,000	4,835,276
2031	6.500	186,388	186,388	-	372,776
2032	6.500	186,388	186,388	-	372,776
2033	6.500	186,388	186,388	-	372,776
2034	6.500	186,388	186,388	-	372,776
2035	6.500	186,388	186,388	-	372,776
2036	6.500	186,388	186,388	-	372,776
2037	6.500	186,388	186,388	-	372,776
2038	6.500	186,388	186,388	-	372,776
2039	6.500	186,388	186,388	5,735,000	6,107,776
Total		<u>\$ 7,924,988</u>	<u>\$ 7,924,988</u>	<u>\$ 15,935,000</u>	<u>\$ 31,784,976</u>

Oxford Community Schools
Other Supplemental Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2013

2010 School Building and Site Bonds, Series B

<u>Year Ending June 30,</u>	<u>Interest Rate (Percent)</u>	<u>Interest Due November 1</u>	<u>Interest Due May 1</u>	<u>Principal Due May 1</u>	<u>Total</u>
2014	6.625	\$ 496,875	\$ 496,875	\$ -	\$ 993,750
2015	6.625	496,875	496,875	-	993,750
2016	6.625	496,875	496,875	-	993,750
2017	6.625	496,875	496,875	-	993,750
2018	6.625	496,875	496,875	-	993,750
2019	6.625	496,875	496,875	-	993,750
2020	6.625	496,875	496,875	-	993,750
2021	6.625	496,875	496,875	-	993,750
2022	6.625	496,875	496,875	-	993,750
2023	6.625	496,875	496,875	-	993,750
2024	6.625	496,875	496,875	-	993,750
2025	6.625	496,875	496,875	-	993,750
2026	6.625	496,875	496,875	-	993,750
2027	6.625	<u>496,875</u>	<u>496,875</u>	<u>15,000,000</u>	<u>15,993,750</u>
Total		<u>\$ 6,956,250</u>	<u>\$ 6,956,250</u>	<u>\$ 15,000,000</u>	<u>\$ 28,912,500</u>

Oxford Community Schools
Other Supplemental Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2013

2012 Refunding Bonds

<u>Year Ending June 30,</u>	<u>Interest Rate (Percent)</u>	<u>Interest Due November 1</u>	<u>Interest Due May 1</u>	<u>Principal Due May 1</u>	<u>Total</u>
2014	2.250	\$ 345,150	\$ 345,150	\$ 10,230,000	\$ 10,920,300
2015	2.250	230,063	230,063	10,225,000	10,685,126
2016	2.250	<u>115,301</u>	<u>115,301</u>	<u>10,225,000</u>	<u>10,455,602</u>
Total		<u>\$ 690,514</u>	<u>\$ 690,514</u>	<u>\$ 30,680,000</u>	<u>\$ 32,061,028</u>

CONTINUING DISCLOSURES

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report
For the Year Ended June 30, 2013**

Enrollment

Ten-year Blended Count History	Blended Count	School Year	Blended Count		
2013-2014 preliminary	5,458	2008-2009	4,373		
2012-2013	5,417	2007-2008	4,327		
2011-2012	4,966	2006-2007	4,289		
2010-2011	4,713	2005-2006	4,172		
2009-2010	4,547	2004-2005	4,078		
2012-2013	Enrollment	Grade	Enrollment	Grade	Enrollment
Early On/ECSE	16	6th	346	Post High School	12
Kindergarten	387	7th	361	International Academy	9
1st	343	8th	362	Crossroads for Youth	53
2nd	337	9th	373	Crossing Bridges	52
3rd	397	10th	353	Oxford Virtual Academy	560
4th	348	11th	381	St. Joseph Partnership	39
5th	393	12th	305		

Labor Relations

Class	Number	Affiliation	Contract Expires
Teachers and Instructional Staff	285	Oxford Education Association	8/31/2016
Transportation, Food Service, Maintenance	74	AFSCME	8/31/2016
Administrators	17	Oxford Administrators Association	7/31/2016
Secretaries & Paraprofessionals	69	OESPA	6/30/2016
Child Care	35	Not affiliated	N/A
Tutorial Assistants	9	Not affiliated	N/A
Crossing Guards	4	Not affiliated	N/A
Central Office Secretaries	9	Not affiliated	N/A
Central Office Administrators	6	Not affiliated	N/A
Other Employees	40	Not affiliated	N/A
TOTAL	548		

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report
For the Year Ended June 30, 2013**

Retirement Plan

<u>Contributions Period</u>	<u>Contribution Rate</u>
October 1, 2013 - September 30, 2014	24.79%
October 1, 2012 - September 30, 2013	25.36%
October 1, 2011 - September 30, 2012	24.46%
November 1, 2010 - September 30, 2011	20.66%
October 1, 2010 - October 31, 2010	19.41%
October 1, 2009 - September 30, 2010	16.94%
October 1, 2008 - September 30, 2009	16.54%

<u>Fiscal Year Ended June 30</u>	<u>Contributions to MPERS</u>	
2014	\$ 7,135,376	Management's estimate
2013	6,372,985	
2012	5,598,499	
2011	4,722,363	
2010	3,885,279	
2009	3,603,189	

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

History of Valuation - State Equalized Valuation and Taxable Valuation

<u>Year</u>	<u>State Equalized Valuation</u>	<u>Taxable Valuation</u>
2013	\$ 982,135,348	\$ 901,160,380
2012	894,584,402	891,771,036
2011	990,898,446	912,214,180
2010	1,055,352,528	946,772,690
2009	1,301,430,135	1,067,172,711
2008	1,384,299,891	1,135,792,655

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report
For the Year Ended June 30, 2013**

Tax Levies and Collections

<u>School Year</u>	<u>Operating</u>	<u>Current Collections to March 1</u>		<u>Current Collections to June 30</u>	
	<u>Tax Levy</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2013-2014	\$ 3,961,166	In process of collection		Not available	
2012-2013	4,014,845	3,626,736	90.33%	3,950,585	98.40%
2011-2012	4,121,812	4,040,641	98.03%	4,101,971	99.52%
2010-2011	4,260,486	3,714,866	87.19%	4,255,798	99.89%
2009-2010	4,687,283	3,689,544	78.71%	4,670,317	99.64%
2008-2009	4,593,048	3,817,886	83.12%	4,593,048	100.00%

State Aid Payments

<u>School Year</u>	<u>Blended Pupil</u>	<u>Total State Aid</u>
	<u>Count</u>	<u>School Year</u>
2013-2014	5,458	\$ 38,343,403 estimate
2012-2013	5,417	37,849,360
2011-2012	4,966	34,464,471
2010-2011	4,713	32,076,945
2009-2010	4,547	30,201,345
2008-2009	4,373	28,752,380

NOTE:

2008-09 foundation allowance was reduced by \$372 per pupil. This reduction was made up through ARRA Federal stimulus dollars.
2009-10 foundation allowance was reduced by \$424 per pupil. A portion of this reduction (\$270) was made up through ARRA stimulus dollars.
2011-12 and 2012-13 foundation allowance was reduced by \$400 per pupil. A portion was made up through one-time categorical payments.

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating-Extra Voted	17.9946	17.9946	17.9946	17.9946	17.9946
Debt	7.0000	7.0000	7.0000	7.0000	7.0000
Total homestead	7.0000	7.0000	7.0000	7.0000	7.0000
Total non-homestead	24.9946	24.9946	24.9946	24.9946	24.9946

The operating millage on non-homestead property was renewed in November 2006, and will expire with the December 2016 levy.
The operating millage is permanently reduced from 18.000 mills as a result of the Headlee Amendment, Article IX, Section 31 of the Michigan Constitution.

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report
For the Year Ended June 30, 2013**

School Bond Loan Fund

As of June 30, 2013, the School District had an outstanding balance, including interest, of \$14,462,655 in the School Bond Loan Fund.

Source: Michigan Department of Treasury

	<u>Direct Debt</u>	<u>Bond</u>	<u>Year</u>
\$	25,945,000	2004 Refunding Bonds (UTQ)	11/16/2004
	12,410,000	2005 Refunding Bonds (UTQ)	06/14/2005
	32,820,000	2006 Refunding Bonds (UTQ)	12/05/2006
	15,935,000	2010 BAB Bonds (GO-UTQ)	04/14/2010
	15,000,000	2010 QSCB (GO-UTQ)	05/11/2010
	30,680,000	2012 Refunding Bonds (UTQ)	07/18/2012
	2,340,233	2007 Energy Bond	05/23/2007
	<u>\$ 135,130,233</u>		

The taxpayers below represent 6.72% of the School District's 2012 total taxable valuation of \$901,160,380.

<u>Taxpayer</u>	<u>Service or Product</u>	<u>Taxable Value</u>
DTE Electric Company	Utility	\$ 15,577,300
MSP Industries	Iron and steel forgings	7,190,390
Oxford Forge Inc	Iron and steel forgings	6,605,620
701 Market Street LLC	Senior Center Complex	6,219,160
Lake Villa MHC Associates LLC	Mobile Home Community	6,066,570
Enbridge Energy Limited ATR & Enbridge LP	Utility	5,778,870
Consumers Energy	Utility	4,361,390
Meijer Inc	Retail	3,885,150
Village Manor of Oxford, Ltd	Apartment Complex	2,490,970
Cooper Standard Auto FHS	Automotive Supplier	2,410,570
TOTAL		<u>\$ 60,585,990</u>

Sources: Township Treasurers, County Equalization

**Oxford Community Schools
Other Supplemental Information
Continuing Disclosure Report
For the Year Ended June 30, 2013**

RESOLVED, that this resolution shall be the general appropriations of Oxford Community Schools for the fiscal year 2013-2014. A resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all income received by Oxford Community Schools.

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriations in the General Fund of the Oxford Community Schools for fiscal year 2013-2014 are as follows:

REVENUES	
Local	\$ 4,969,388
State	37,057,282
Federal	1,736,666
Other	<u>2,076,670</u>
TOTAL REVENUES	45,840,006
Estimated Fund Balance July 1, 2013	<u>4,399,512</u>
TOTAL AVAILABLE TO APPROPRIATE	<u>\$ 50,239,518</u>

BE IT FURTHER RESOLVED, that \$46,308,516 of the total available to appropriate in the general fund is hereby appropriated in the amounts and for the purposes set forth below:

EXPENDITURES	
Instruction	
Basic Programs	\$ 24,276,825
Added Needs	5,037,372
Support Services	
Pupil	2,501,213
Instructional Staff	1,396,265
General Administration	527,645
School Administration	2,716,593
Business	6,004,110
Central	2,243,098
Community Services	21,209
Outgoing Transfers and Other	<u>1,584,186</u>
TOTAL APPROPRIATED	<u>\$ 46,308,516</u>

Oxford Community Schools

Oxford, Michigan

Single Audit Report

June 30, 2013

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

Independent Auditors' Report

Management and the Board of Education
Oxford Community Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oxford Community Schools as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Oxford Community Schools' basic financial statements, and have issued our report thereon dated October 28, 2013.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Oxford Community Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Yeo & Yeo, P.C.

Saginaw, MI

October 28, 2013

Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditors' Report

Management and the Board of Education
Oxford Community Schools

Report on Compliance for Each Major Federal Program

We have audited Oxford Community Schools' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Oxford Community Schools' major federal programs for the year ended June 30, 2013. Oxford Community Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Oxford Community Schools' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Oxford Community Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Oxford Community Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, Oxford Community Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Oxford Community Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Oxford Community Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Oxford Community Schools' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oxford Community Schools as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Oxford Community Schools' basic financial statements. We issued our report thereon dated October 28, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by

OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Yeo & Yeo, P.C.

Saginaw, MI
October 28, 2013

Oxford Area Community Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor Pass-Through Grantor Program Title Grant Number	Federal CFDA Number	Award Amount	Accrued (Deferred) Revenue July 1, 2012	(Memo Only) Prior Year Expenditures	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue June 30, 2013
U.S. Department of Agriculture							
Passed through Michigan Department of Education							
Nutrition Cluster							
Non-cash assistance (commodities)							
National School Lunch Program	10.555						
Entitlement Commodities		\$ 121,255	\$ -	\$ -	\$ 121,255	\$ 121,255	\$ -
Cash assistance							
National School Breakfast Program	10.553						
121970 School Breakfast Program		81,217	-	75,411	5,806	5,806	-
131970 School Breakfast Program		67,419	-	-	67,419	67,419	-
			-		73,225	73,225	-
National School Lunch Program	10.555						
121960 National School Lunch Program		490,463	-	441,162	49,301	49,301	-
131960 National School Lunch Program		406,321	-	-	400,864	406,321	5,457
			-		450,165	455,622	5,457
Total cash assistance			-		523,390	528,847	5,457
Total Nutrition Cluster			-		644,645	650,102	5,457
U.S. Department of Education							
Passed through Oakland Schools County ISD							
Special Education Cluster							
110450 IDEA Flowthrough	84.027	757,619	6,285	757,619	6,285	-	-
120450 IDEA Flowthrough		740,774	431,653	718,576	453,851	22,198	-
130450 IDEA Flowthrough		882,267	-	-	614,501	832,716	218,215
			437,938		1,074,637	854,914	218,215
120460 Preschool Incentive	84.173	24,874	15,164	23,346	16,692	1,528	-
130460 Preschool Incentive		31,968	-	-	22,175	30,370	8,195
			15,164		38,867	31,898	8,195
Total Special Education Cluster			453,102		1,113,504	886,812	226,410

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Oxford Area Community Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor Pass-Through Grantor Program Title Grant Number	Federal CFDA Number	Award Amount	Accrued (Deferred) Revenue July 1, 2012	(Memo Only) Prior Year Expenditures	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue June 30, 2013
Passed through Michigan Department of Education							
121530-1112 Title I - Part A	84.010	\$ 285,869	\$ 61,271	\$ 236,631	\$ 101,857	\$ 40,586	\$ -
131530-1213 Title I - Part A		339,670	-	-	296,834	320,522	23,688
			<u>61,271</u>		<u>398,691</u>	<u>361,108</u>	<u>23,688</u>
111701-1011 Title I - Part D	84.013	60,618	-	-	60,618	60,618	-
121700-1112 Title I - Part D		114,952	52,757	110,899	56,810	4,053	-
131700-1213 Title I - Part D		90,815	-	-	37,720	47,403	9,683
			<u>52,757</u>		<u>155,148</u>	<u>112,074</u>	<u>9,683</u>
Passed through Oakland Schools County ISD							
1112 Carl Perkins	84.048	77,192	66,146	77,192	66,146	-	-
1213 Carl Perkins		114,938	-	-	33,427	114,938	81,511
			<u>66,146</u>		<u>99,573</u>	<u>114,938</u>	<u>81,511</u>
Passed through Holly Schools							
Title III Limited English Proficient Grant Program	84.365	14,018	851	12,913	1,150	299	-
Title III Limited English Proficient Grant Program		12,836	-	-	12,078	12,197	119
			<u>851</u>		<u>13,228</u>	<u>12,496</u>	<u>119</u>
Passed through Bloomfield Hills Schools							
Reading Recovery FY13	84.396	3,500	-	-	2,767	2,767	-
Passed through Michigan Department of Education							
120520-1112 Title II, Part A	84.367	80,632	12,745	80,632	12,745	-	-
130520-1213 Title II, Part A		79,122	-	-	73,958	79,122	5,164
			<u>12,745</u>		<u>86,703</u>	<u>79,122</u>	<u>5,164</u>
Total U.S. Department of Education			<u>646,872</u>		<u>1,869,614</u>	<u>1,569,317</u>	<u>346,575</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Oxford Area Community Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor Pass-Through Grantor Program Title Grant Number	Federal CFDA Number	Award Amount	Accrued (Deferred) Revenue July 1, 2012	(Memo Only) Prior Year Expenditures	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue June 30, 2013
U.S. Department of Health and Human Services							
Passed through Oakland Livingston Human Services Agency (OLHSA)							
Headstart cluster							
H-0520-12 Headstart	93.600	\$ 174,802	\$ 95,686	\$ 95,686	\$ 174,802	\$ 79,116	\$ -
H-0520-13 Headstart		169,558	-	-	-	104,026	104,026
			<u>95,686</u>		<u>174,802</u>	<u>183,142</u>	<u>104,026</u>
Early Headstart 2012	93.600	165,226	59,710	84,699	140,237	80,527	-
Early Headstart 2013		132,370	-	-	-	73,469	73,469
			<u>59,710</u>		<u>140,237</u>	<u>153,996</u>	<u>73,469</u>
Total Headstart cluster			<u>155,396</u>		<u>315,039</u>	<u>337,138</u>	<u>177,495</u>
Passed through Oakland Schools County ISD							
Medicaid Outreach FY13	93.778	9,362	-	-	9,362	9,362	-
Total U.S. Department of Health and Human Services			<u>155,396</u>		<u>324,401</u>	<u>346,500</u>	<u>177,495</u>
			<u>\$ 802,268</u>		<u>\$ 2,838,660</u>	<u>\$ 2,565,919</u>	<u>\$ 529,527</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Oxford Community Schools
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2013

1. The Schedule of Expenditures of Federal Awards was prepared using the accrual basis of accounting.
2. Management has reported the expenditures in the Schedule of Expenditures of Federal Awards equal to those amounts reported in the annual or final cost reports that have been submitted as of June 30, 2013.
3. The federal amounts reported on the "Grant Auditor Report" are in agreement with the Schedule of Expenditures of Federal Awards.
4. The following is a reconciliation between the Schedule of Federal Awards and Financial Statements:

<u>Grant</u>	<u>CFDA</u>	<u>Schedule of Federal Awards</u>	<u>Financial Statements</u>	<u>Difference</u>
Total expenditures reported on the Schedule of Federal Awards				\$2,560,461
Amounts deferred in prior year and recognized as revenue in the current year				
H-0520-12 Headstart	93.600	\$ 79,116	\$ 81,550	2,434
Early Headstart 2012	93.600	80,527	80,773	246
Title III Limited English	84.365	<u>299</u>	<u>1,150</u>	<u>851</u>
		<u>\$ 159,942</u>	<u>\$ 163,473</u>	3,531
Federal interest revenue not subject to A-133				<u>1,193,776</u>
Federal revenue reported on the Financial Statements				<u>\$3,757,768</u>

5. The amounts reported on the Recipient Entitlement Balance Report agree with the Schedule of Expenditures of Federal Awards for U.S.D.A. donated food commodities.

Oxford Community Schools
Schedule of Findings and Questioned Costs
June 30, 2013

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

_____ yes X no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027, 84.173

Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

 X yes _____ no

Oxford Community Schools
Schedule of Findings and Questioned Costs
June 30, 2013

SECTION II - GOVERNMENT AUDITING STANDARDS FINDINGS

There were no findings related to the financial statements which are required to be reported in accordance with government auditing standards generally accepted in the United States of America for the year ended June 30, 2013.

SECTION III - FEDERAL AWARD FINDINGS

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2013.

Oxford Community Schools
Summary Schedule of Prior Audit Findings
June 30, 2013

SECTION IV – PRIOR AUDIT FINDINGS

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2012.



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October 28, 2013

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

We have completed our audit of the financial statements of Oxford Community Schools as of and for the year ended June 30, 2013, and have issued our report dated October 28, 2013. We are required to communicate certain matters to you in accordance with auditing standards generally accepted in the United States of America that are related to internal control and the audit. The appendices to this letter set forth those communications as follows:

Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards* and OMB Circular A-133 as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated April 17, 2013. 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 are described in Note 1 of the financial statements. The district has adopted Government Accounting Standards *Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, and No. 65, *Items Previously Reported as Assets and Liabilities*, effective July 1, 2012. The new standards provide guidance for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of financial position and related disclosures. We noted no transactions entered into by the district during the year where there is lack of authoritative guidance or consensus. All significant transactions have been recognized in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Oxford Community Schools' financial statements were management's estimate of the useful lives of fixed assets, which is based on the length of time management believes those assets will provide some economic benefit in the future and compensated absences.

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

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 that the auditor accumulate all known and likely misstatements identified during the audit, other than those the auditor believes to be trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures that were more than trivial.

There were no uncorrected misstatements that were more than trivial.

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 auditors' report. We are pleased to report we had no disagreements with management during the audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the district'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 district's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Reports

Other information that is required to be reported to you is included in the: 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*; Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133; and the Schedule of Findings and Questioned Costs. Please read all information included in those reports to ensure you are aware of relevant information.

Report on Required Supplemental Information

With respect to the required supplemental information accompanying the financial statements, which includes management's discussion and analysis and budgetary comparison information, we 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.

Report on Other Supplemental Information

With respect to the supplemental information accompanying the financial statements, other than list of the Members of the Board of Education and Administration, 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 supplemental information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We discussed these matters with various personnel in the organization during the audit and are currently scheduled to meet with you on October 28, 2013.

These communications are intended solely for the information and use of management, the Board of Education, and others within the district, and are not intended to be and should not be used by anyone other than those specified parties.

Yeo & Yeo, P.C.
Saginaw, Michigan

Oxford Community Schools

**2010 School Building and Site Bonds, Series A
Period of April 10, 2010 through June 30, 2013**

Audited Financial Statements and Compliance

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Independent Auditors' Report

Management and the Board of Education
Oxford Community Schools

Report on the Financial Statements

We have audited the accompanying financial statements of the 2010 School Building and Site Bonds, Series A of Oxford Community Schools, which comprise the balance sheet as of June 30, 2013, and the related statement of revenues, expenditures and changes in fund balance for the period April 10, 2010 through June 30, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Oxford Community Schools' 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 District'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 District'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 2010 School Building and Site Bonds, Series A of Oxford Community Schools, as of June 30, 2013, and the change in financial position for the period April 10, 2010 through June 30, 2013 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

We draw attention to Note 2 to the financial statements, which describes that the accompanying financial statements were prepared for the purpose of complying with the provisions of the Michigan Revised School Code (Public Act 451 of 1976, as amended), Part 17-Bonds and Notes, Section 380.1351(a). The presentation is not intended to be a presentation of the District's total revenues and expenditures.

Other Matters: Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2013 on our consideration of Oxford Community Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other agreements and other matters in relation to its 2010 School Building and Site Bonds, Series A. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oxford Community Schools' internal control over financial reporting and compliance in relation to its 2010 School Building and Site Bonds, Series A.

Yeo & Yeo, P.C.

Saginaw, MI
October 28, 2013

Oxford Community Schools
2010 School Building and Site Bonds, Series A
Balance Sheet
June 30, 2013

Assets

Cash	\$ <u>155,087</u>
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Liabilities

Accounts payable	\$ 55
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Fund balance

Restricted for capital projects	<u>155,032</u>
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Total liabilities and fund balance	\$ <u>155,087</u>
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See Accompanying Notes to Financial Statements

Oxford Community Schools
2010 School Building and Site Bonds, Series A
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Period April 10, 2010 through June 30, 2013

Revenues

Investment income	\$ 166,852
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Expenditures

Construction and improvement costs	17,643,957
Bond issuance costs	<u>102,863</u>

Total expenditures	<u>17,746,820</u>
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Deficiency of revenues under expenditures	<u>(17,579,968)</u>
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Other financing sources

Proceeds from issuance of 2010 School Building and Site Bonds, Series A	<u>17,735,000</u>
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Excess of revenues and other financing sources over expenditures	155,032
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Fund balance at beginning of period	<u>-</u>
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Fund balance at end of period	<u><u>\$ 155,032</u></u>
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Oxford Community Schools
2010 School Building and Site Bonds, Series A
Notes to Financial Statements

NOTE 1 - REPORTING ENTITY

Oxford Community Schools has oversight responsibility and control over all activities related to public school education in the Oxford Community Schools.

The District's Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. This report includes only the balance sheets and the statements of revenues and expenditures of the 2010 School Building and Site Bonds, Series A of the District and its activities are considered to be part of the District and controlled by the Board of Education.

NOTE 2 - BOND DESCRIPTION

2010 School Building and Site Bonds, Series A

The District issued the 2010 School Building and Site Bonds, Series A on April 10, 2010 in the amount of \$17,735,000. The principal and interest on this bond issue will be financed primarily from local property taxes. The bonds dated April 10, 2010, which bear interest ranging from 1.10% to 6.5%, are due serially through 2021 and then in three installments in years 2023, 2030 and 2039. The bond proceeds and interest income earned on those proceeds were used for the purpose of remodeling, equipping, furnishing, reequipping and refurbishing existing School District buildings; constructing, furnishing and equipping additions to existing School District buildings; acquiring and installing technology in and connecting School District buildings; improving and developing sites, including playgrounds, in the School District and to pay the costs of issuing the bonds.

BASIS OF PRESENTATION

The accompanying balance sheet and statement of revenues, expenditures and changes in fund balance have been prepared based on the modified accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred.

The Michigan Revised School Code (Public Act 451 of 1976, as amended) Part 17 - Bonds and Notes, Section 380.1351(a)(1) and (2) requires that for bonds issued under that section after May 1, 1994, an independent audit be performed on certain operating results and compliance tests performed related to specified bond activities.

The accompanying financial statements reflect the activities of the 2010 School Building and Site Bonds, Series A recorded in the District's Capital Project Funds from the date the bonds were issued April 10, 2010, through June 30, 2013, at which point the project was substantially complete and less than 5% of bond proceeds were remaining. The financial statements are not intended to be a presentation of the District's total revenues and expenditures.

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

Independent Auditors' Report

Management and the Board of Education
Oxford Community Schools

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 2010 School Building and Site Bonds, Series A of Oxford Community Schools, which comprise the balance sheet as of June 30, 2013 and, the related statement of revenues, expenditures and changes in fund balance for the period April 10, 2010 through June 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated October 28, 2013.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Oxford Community Schools' financial statements for the 2010 School Building and Site Bonds, Series A are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and other agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Yeo & Yeo, P.C.
Saginaw, MI
October 28, 2013