

Oxford Community Schools

Oxford, Michigan

**Annual Financial Statements
and
Auditors' Report**

June 30, 2013

Table of Contents

| <u>Section</u> | | <u>Page</u> |
|----------------|--|-------------|
| 1 | Members of the Board of Education and Administration | 1 - 1 |
| 2 | Independent Auditors' Report | 2 - 1 |
| 3 | Management's Discussion and Analysis | 3 - 1 |
| 4 | Basic Financial Statements | |
| | District-wide Financial Statements | |
| | Statement of Net Position | 4 - 1 |
| | Statement of Activities | 4 - 2 |
| | Fund Financial Statements | |
| | Governmental Funds | |
| | Balance Sheet | 4 - 3 |
| | Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 4 - 5 |
| | Statement of Revenues, Expenditures and Changes in Fund Balances | 4 - 6 |
| | Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 4 - 8 |
| | Fiduciary Funds | |
| | Statement of Assets and Liabilities | 4 - 9 |
| | Notes to Financial Statements | 4 - 10 |
| 5 | Required Supplemental Information | |
| | Budgetary Comparison Schedule – General Fund | 5 - 1 |

| <u>Section</u> | | <u>Page</u> |
|----------------|--|-------------|
| 6 | Other Supplemental Information | |
| | Nonmajor Governmental Funds | |
| | Combining Balance Sheet | 6 - 1 |
| | Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 6 - 2 |
| | General Fund | |
| | Comparative Balance Sheet | 6 - 3 |
| | Schedule of Revenues Compared to Budget | 6 - 4 |
| | Schedule of Expenditures Compared to Budget | 6 - 5 |
| | Schedule of Outstanding Bonded Indebtedness | 6 - 16 |
| 7 | Continuing Disclosures | 7 - 1 |

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



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
 - Combining Statement of Revenue, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds
 - Comparative Information – General Fund
 - Schedule of Bonded Indebtedness
 - Continuing Disclosure Report

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 | <u>138.95</u> | <u>139.91</u> |
| <u>Deferred outflows of resources</u> | | |
| Deferred amount on debt refunding | 2.16 | - |
| Total assets and deferred outflows of resources | <u>\$ 141.11</u> | <u>\$ 139.91</u> |
| <u>Liabilities</u> | | |
| Current Liabilities | \$ 8.72 | \$ 5.04 |
| Noncurrent Liabilities | 153.56 | 152.30 |
| Total Liabilities | <u>\$ 162.28</u> | <u>\$ 157.34</u> |
| <u>Net Position (Deficit)</u> | | |
| Invested in Capital Assets | \$ (10.81) | \$ (7.48) |
| Restricted | 0.83 | 0.72 |
| Unrestricted | <u>(11.19)</u> | <u>(10.67)</u> |
| Total Net Position (Deficit) | <u>\$ (21.17)</u> | <u>\$ (17.43)</u> |

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 | 56.48 | 53.21 |
| <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 | 60.22 | 58.10 |
| Change in net position | \$ (3.74) | \$ (4.90) |

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

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 | (2,160,556) | (2,317,041) |
| Total debt and deferred refunding | \$ 151,402,697 | \$ 152,300,085 |

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

| | Governmental Activities |
|--|-------------------------------|
| 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 | | | | |
|---|-------------------------|--|--|--|------------------------|
| Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net (Expense) 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 | \$ 60,226,267 | \$ 2,462,642 | \$ 9,780,732 | \$ - | (47,982,893) |
| 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 | | | | | 286,894 |
| Total general revenues | | | | | 44,239,090 |
| Change in net position | | | | | (3,743,803) |
| Net position (deficit) - beginning | | | | | (17,429,753) |
| Net position (deficit) - ending | | | | | \$ (21,173,556) |

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 |
| 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 |
| 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 |
|---|-------------------|----------------------|-----------------------------------|--------------------------------|
| 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 | 1,775,243 | - | - | 1,775,243 |
| | <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 | - | 40,757,907 | - | 40,757,907 |
| | <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>\$ 5,134,318</u> | <u>\$ 40,608</u> | <u>\$ 1,085,023</u> | <u>\$ 6,259,949</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 | \$ 6,028,231 | \$ 427,494 | \$ 6,455,725 |

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 | | | Ending | | Amount Due Within One Year |
|--|-----------------------|----------------------|------------------------|-----------------------|----------------------|----------------------------------|
| | Balance | Additions | Reductions | Balance | | |
| 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 | | | Ending | | Amount Due Within One Year |
|--------------------------------------|----------------|-----------|------------|----------------|------|----------------------------------|
| | Balance | Additions | Reductions | Balance | | |
| 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 (MPSERS), 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.

MPSERS 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 MPSERS. 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 MPSERS. 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.

| | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|---|---------------------|---------------------|---------------------|
| 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:

| | <u>District</u> | <u>Participants</u> |
|---|------------------|---------------------|
| 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>Actual</u> | <u>Over (Under) Budget</u> |
|---|-------------------------|------------------------|-----------------------|------------------------------------|
| | <u>Original</u> | <u>Final</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>Actual</u> | <u>Over (Under) Budget</u> |
|--------------------------------|-------------------------|---------------------|---------------------|------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Other financing sources | | | | |
| Transfers in | \$ 30,000 | \$ 135,000 | \$ 130,000 | \$ (5,000) |
| 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>\$ 4,300,271</u> | <u>\$ 4,399,512</u> | <u>\$ 5,134,318</u> | <u>\$ 734,806</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>\$ 12,989,572</u> | <u>\$ 12,151,415</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>7,855,254</u> | <u>5,292,979</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>5,134,318</u> | <u>6,858,436</u> |
| Total liabilities and fund balance | <u>\$ 12,989,572</u> | <u>\$ 12,151,415</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 | <u>282,500</u> | <u>325,290</u> | <u>341,694</u> | <u>16,404</u> |
| Total revenues from local sources | <u>4,609,345</u> | <u>4,755,383</u> | <u>4,715,507</u> | <u>(39,876)</u> |
| Revenues from state sources | | | | |
| Grants | 32,159,707 | 33,669,422 | 33,742,451 | 73,029 |
| Grants - restricted | <u>3,564,578</u> | <u>3,543,216</u> | <u>3,984,866</u> | <u>441,650</u> |
| Total revenues from state sources | <u>35,724,285</u> | <u>37,212,638</u> | <u>37,727,317</u> | <u>514,679</u> |
| Revenues from federal sources | | | | |
| Grants | <u>1,820,138</u> | <u>2,033,117</u> | <u>1,919,348</u> | <u>(113,769)</u> |
| 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 | <u>72,700</u> | <u>35,000</u> | <u>36,096</u> | <u>1,096</u> |
| Total interdistrict sources | <u>1,753,100</u> | <u>1,765,400</u> | <u>1,775,243</u> | <u>9,843</u> |
| Other financing sources | | | | |
| Transfers in | <u>30,000</u> | <u>135,000</u> | <u>130,000</u> | <u>(5,000)</u> |
| Total revenue and other financing sources | <u>\$ 43,936,868</u> | <u>\$ 45,901,538</u> | <u>\$ 46,267,415</u> | <u>\$ 365,877</u> |

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) |
| | <u>11,042,638</u> | <u>10,849,059</u> | <u>10,817,812</u> | <u>(31,247)</u> |
| Total elementary | | | | |
| 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) |
| | <u>4,580,975</u> | <u>4,790,000</u> | <u>4,673,060</u> | <u>(116,940)</u> |
| Total middle school | | | | |
| 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) |
| | <u>7,783,040</u> | <u>8,797,961</u> | <u>8,672,702</u> | <u>(125,259)</u> |
| Total high school | | | | |

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 | <u>59,969</u> | <u>64,327</u> | <u>63,742</u> | <u>(585)</u> |
| 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 | <u>767,727</u> | <u>694,926</u> | <u>704,499</u> | <u>9,573</u> |
| 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 | <u>138,567</u> | <u>161,080</u> | <u>168,454</u> | <u>7,374</u> |
| 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 | <u>273,751</u> | <u>333,297</u> | <u>332,989</u> | <u>(308)</u> |

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) |
| | <u>372,821</u> | <u>466,952</u> | <u>450,920</u> | <u>(16,032)</u> |
| 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) |
| | <u>444,625</u> | <u>473,457</u> | <u>466,314</u> | <u>(7,143)</u> |
| 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 | - | - | - |
| | <u>129,699</u> | <u>113,005</u> | <u>149,107</u> | <u>36,102</u> |
| 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) |
| | <u>65,375</u> | <u>195,401</u> | <u>203,427</u> | <u>8,026</u> |

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 | <u>454,112</u> | <u>483,759</u> | <u>436,214</u> | <u>(47,545)</u> |
| 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 | <u>358,031</u> | <u>290,530</u> | <u>363,299</u> | <u>72,769</u> |
| Instructional staff - educational television | | | | |
| Salaries | 15,375 | 10,000 | 10,000 | - |
| Employee benefits | 5,384 | 3,221 | 3,513 | 292 |
| Total educational television | <u>20,759</u> | <u>13,221</u> | <u>13,513</u> | <u>292</u> |
| 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 | - | - | - |
| | <u>705,270</u> | <u>641,681</u> | <u>641,215</u> | <u>(466)</u> |
| 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) |
| | <u>112,080</u> | <u>84,594</u> | <u>125,039</u> | <u>40,445</u> |
| 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) |
| | <u>386,206</u> | <u>374,863</u> | <u>366,822</u> | <u>(8,041)</u> |

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) |
| | <u>2,893,377</u> | <u>2,935,532</u> | <u>3,040,229</u> | <u>104,697</u> |
| 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) |
| | <u>417,735</u> | <u>442,680</u> | <u>446,373</u> | <u>3,693</u> |
| Business - other | | | | |
| Purchased services | 8,400 | - | - | - |
| Other | 83,500 | 153,000 | 169,204 | 16,204 |
| | <u>91,900</u> | <u>153,000</u> | <u>169,204</u> | <u>16,204</u> |
| Total other | | | | |

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) |
| | <u>3,079,268</u> | <u>3,061,674</u> | <u>3,140,966</u> | <u>79,292</u> |
| 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 |
| | <u>2,051,731</u> | <u>1,994,946</u> | <u>1,961,454</u> | <u>(33,492)</u> |
| 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) |
| | <u>256,066</u> | <u>282,872</u> | <u>244,227</u> | <u>(38,645)</u> |

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) |
| | <u>379,992</u> | <u>372,011</u> | <u>374,036</u> | <u>2,025</u> |
| 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) |
| | <u>793,568</u> | <u>947,965</u> | <u>880,377</u> | <u>(67,588)</u> |
| 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) |
| | <u>154,930</u> | <u>216,616</u> | <u>215,005</u> | <u>(1,611)</u> |
| 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) |
| | <u>793,046</u> | <u>772,878</u> | <u>823,138</u> | <u>50,260</u> |
| Total athletic activities | | | | |
| 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) |
| | <u>103,202</u> | <u>168,932</u> | <u>162,768</u> | <u>(6,164)</u> |
| Total other supporting services | | | | |
| 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) |
| | <u>-</u> | <u>7,967</u> | <u>6,795</u> | <u>(1,172)</u> |
| Total community recreation | | | | |
| 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 | - |
| | <u>4,689</u> | <u>15,943</u> | <u>13,125</u> | <u>(2,818)</u> |
| Total community activities | | | | |

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 | <u>429,720</u> | <u>874,268</u> | <u>820,625</u> | <u>(53,643)</u> |
| Debt service | | | | |
| Principal | 125,762 | 125,762 | 125,828 | 66 |
| Interest and other expenditures | 96,196 | 96,196 | 96,129 | (67) |
| Total debt service | <u>221,958</u> | <u>221,958</u> | <u>221,957</u> | <u>(1)</u> |
| Total expenditures and financing uses | <u>\$ 45,462,744</u> | <u>\$ 47,328,173</u> | <u>\$ 46,959,244</u> | <u>\$ (368,929)</u> |

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

| Year Ending June 30, | Interest Rate (Percent) | Interest Due November 1 | Interest Due May 1 | Principal Due May 1 | Total |
|-------------------------|-------------------------------|-------------------------------|--------------------------|------------------------|----------------------|
| 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 | 7,422 | 364,445 | 371,867 |
| 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

| Year Ending June 30, | Interest Rate (Percent) | Interest Due November 1 | Interest Due May 1 | Principal Due May 1 | Total |
|-------------------------|-------------------------------|-------------------------------|--------------------------|------------------------|----------------------|
| 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 | 496,875 | 496,875 | 15,000,000 | 15,993,750 |
| 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 | <u>548</u> | | |

**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 Tax Levy</u> | <u>Current Collections to March 1</u> | | <u>Current Collections to June 30</u> | |
|--------------------|---------------------------|---------------------------------------|----------------|---------------------------------------|----------------|
| | | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| 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 Count</u> | <u>Total State Aid 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 | <u>7.0000</u> | <u>7.0000</u> | <u>7.0000</u> | <u>7.0000</u> | <u>7.0000</u> |
| 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

CONTENTS

| | <u>Page</u> |
|--|-------------|
| Single Audit Report | |
| Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 1 |
| Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 | 3 |
| Schedule of Expenditures of Federal Awards | 6 |
| Notes to the Schedule of Expenditures of Federal Awards | 9 |
| Schedule of Findings and Questioned Costs | 10 |
| Summary Schedule of Prior Audit Findings | 12 |

**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 them-selves, 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 Entitlement Commodities | 10.555 | \$ 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 |
| | | | 61,271 | | 398,691 | 361,108 | 23,688 |
| 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 |
| | | | 52,757 | | 155,148 | 112,074 | 9,683 |
| 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 |
| | | | 66,146 | | 99,573 | 114,938 | 81,511 |
| 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 |
| | | | 851 | | 13,228 | 12,496 | 119 |
| 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 |
| | | | 12,745 | | 86,703 | 79,122 | 5,164 |
| Total U.S. Department of Education | | | 646,872 | | 1,869,614 | 1,569,317 | 346,575 |

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:

| Grant | CFDA | Schedule of Federal Awards | Financial Statements | Difference |
|--|-------------|---|---------------------------------|-------------------|
| 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 | 299 | 1,150 | 851 |
| | | \$ 159,942 | \$ 163,473 | 3,531 |
| Federal interest revenue not subject to A-133 | | | | 1,193,776 |
| Federal revenue reported on the Financial Statements | | | | \$3,757,768 |

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 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.



3023 Davenport Ave.
Saginaw, MI 48602
(989) 793-9830 / (800) 968-0010
Fax (989) 793-0186

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

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| Independent Auditors' Report | 1 |
| Basic Financial Statements | |
| Balance Sheet | 3 |
| Statement of Revenues, Expenditures and Changes in Fund Balance | 4 |
| Notes to Financial Statements | 5 |
| Compliance | |
| Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 6 |

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> |
| Liabilities | |
| Accounts payable | \$ 55 |
| Fund balance | |
| Restricted for capital projects | <u>155,032</u> |
| Total liabilities and fund balance | \$ <u>155,087</u> |

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 | \$ <u>166,852</u> |
| Expenditures | |
| Construction and improvement costs | 17,643,957 |
| Bond issuance costs | <u>102,863</u> |
| Total expenditures | <u>17,746,820</u> |
| Deficiency of revenues under expenditures | <u>(17,579,968)</u> |
| Other financing sources | |
| Proceeds from issuance of 2010 School Building and Site Bonds, Series A | <u>17,735,000</u> |
| Excess of revenues and other financing sources over expenditures | 155,032 |
| Fund balance at beginning of period | <u>-</u> |
| Fund balance at end of period | <u>\$ <u>155,032</u></u> |

See Accompanying Notes to Financial Statements

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