

**Woodhaven-Brownstown School District
Woodhaven, Michigan**

FINANCIAL STATEMENTS

June 30, 2013

Woodhaven-Brownstown School District

Woodhaven, Michigan

BOARD OF EDUCATION AND ADMINISTRATION

June 30, 2013

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Woodhaven-Brownstown School District

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Woodhaven-Brownstown School District
Woodhaven, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Woodhaven-Brownstown School District (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the 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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Woodhaven-Brownstown School District as of June 30, 2013, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As discussed in Note M, during fiscal year 2013, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. As a result of this implementation, the format and reporting of the financial statements has changed to reflect the new presentation as required by GASB Statements No. 63 and 65, as applicable. Our opinions are not modified with respect to these matters.

Other Matters

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

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2013, on our consideration of Woodhaven-Brownstown School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Woodhaven-Brownstown School District's internal control over financial reporting and compliance.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

October 17, 2013

This section of Woodhaven-Brownstown School District's annual report presents our discussion and analysis of the School District's financial performance during the 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. These statements are organized so the reader can understand Woodhaven-Brownstown School District financially as a whole. 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 longer-term view of the 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 look at the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant fund - the General Fund, and the remaining Special Revenue Funds, Capital Project Fund and Debt Service Funds collectively as other non-major governmental funds. The remaining statement, the Statement of Assets and Liabilities - Fiduciary Fund, presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents.

District-wide Financial Statements

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the basic financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. These statements are prepared to include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, 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 cash is received or paid.

These two statements report the School District's net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, as reported in the Statement of 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 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 Statement of Activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, supporting services, community services, athletics, and food services. Property taxes, unrestricted State Aid (foundation allowance revenue), and State and Federal grants finance most of these activities.

The District-wide financial statements are full accrual basis statements. They report all the District's assets and liabilities, both short and long-term, regardless if they are "currently available" or not. For example, assets that are restricted for use in the Debt Service Funds solely for the payment of long-term principal or interest are grouped with unrestricted assets of the General Fund. Capital assets and long-term obligations of the District are reported in the Statement of Net Position of the District-wide financial statements.

Fund Financial Statements

The fund-level financial statements are reported on the modified accrual basis. Only those assets that are "measurable" and "available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The fund financial statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual." In the State of Michigan, the District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in their relevant funds including: Debt Service Funds and the Special Revenue (School Service) Funds, which are comprised of: Cafeteria, Funded Programs, and Special Education.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No capital assets are reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. Future year's debt obligations are not recorded.

Summary of Net Position:

The following summarizes the net position of the School District as of June 30, 2013 and 2012:

Condensed Statement of Net Position
As of June 30, 2013 and 2012

	Governmental Activities 2013	Governmental Activities 2012
	<u>2013</u>	<u>2012</u>
Assets		
Current Assets	\$ 12,147,422	\$ 12,674,467
Capital Assets	<u>89,865,086</u>	<u>93,565,279</u>
Total Assets	102,012,508	106,239,746
Deferred Outflows of Resources		
Unamortized bond discount	1,453,743	1,574,888
Liabilities		
Current Liabilities	13,404,547	12,629,028
Noncurrent Liabilities	<u>58,168,379</u>	<u>63,051,145</u>
Total Liabilities	71,572,926	75,680,173
Net Position		
Net investment in capital assets	29,353,829	28,685,167
Restricted for capital projects	774,043	1,620,525
Unrestricted	<u>1,765,453</u>	<u>1,828,769</u>
Total Net Position	<u>\$ 31,893,325</u>	<u>\$ 32,134,461</u>

Analysis of Financial Position:

The \$1,765,453 in unrestricted net position of governmental activities represents district funds that have not been committed contractually or for debt obligations and are available for future use. As detailed above, the District shows a positive total net position of \$31,893,325 for the fiscal year ended June 30, 2013. This statement can be explained by the following factors:

- The passing of a 90 million dollar construction millage in 2002. Construction projects in order to upgrade facilities and technology continued through the 2009-2010 year. This represents a significant portion of the District's total capital assets of approximately 90 million dollars, which is net of accumulated depreciation.
- Significant debt, (\$90 million) was incurred by the District in 2002 to pay for the facility projects. There have been several refundings of the bonded debt. The District's current debt outstanding related to these projects is approximately 62 million dollars.
- The District currently has approximately 0.8 million dollars of Capital Project and Sinking funds on hand that are restricted to be used for those purposes.

Results of Operations:

For the fiscal years ended June 30, 2013 and 2012, the District-wide results of operations were:

Condensed Statement of Activities
Years Ended June 30, 2013 and 2012

	Governmental Activities 2013	Governmental Activities 2012
Revenues:		
Program Revenues		
Charges for Service	\$ 1,051,441	\$ 1,285,028
Operating Grants	10,488,744	8,730,508
General Revenues		
Property Taxes	14,813,380	15,414,868
State School Aid-unrestricted	28,803,291	27,898,811
Other	177,804	405,363
Total Revenues	55,334,660	53,734,578
Functions/Program Expenses		
Instruction	27,101,036	27,253,761
Supporting services	18,332,783	17,298,807
Community services	22,831	19,750
Food service	1,624,020	1,635,453
Interest on long-term debt	3,027,321	3,221,687
Unallocated depreciation	5,467,805	5,561,895
Total Expenses	55,575,796	54,991,353
Change in Net Position	\$ (241,136)	\$ (1,256,775)

Analysis of Results of Operations:

During fiscal year ended June 30, 2013, the District's net position decreased by \$241,136. Several factors which helped cause the decrease are discussed in the following sections.

A. Governmental Fund Operating Results

The District's expenditures and other financing uses from governmental fund operations exceeded revenues and other financing sources by (\$880,960) for the fiscal year ended June 30, 2013. Further discussion of the District's operating results is available in the section entitled "Results of 2012-2013 Operations" located below.

B. Depreciation Expense in Excess of Capital Outlay

The cost of capital assets is allocated over the useful lives of the assets as depreciation expense. During 2012-2013, the District's investment in new or replacement assets was less than the current year depreciation and loss on disposal of assets, causing a decrease in net district assets. The District's overall net capital assets decreased by \$3,700,193 calculated as the difference between new capital investments of \$1,767,612 and depreciation allocated against the useful lives of district assets \$5,467,805.

C. Long-Term Debt Activities

The District decreased its long-term debt obligations during 2012-2013 by making principal payments amounting to \$4,490,000; reduction in accrued interest cost of \$38,588 on outstanding debt was incurred by the District during the fiscal year; amortization of bond premiums decreased the deferred outflow by \$121,145. Also, compensated absences and accrued vacation liabilities increased by \$67,426. As a result of these activities, net district long-term debt liabilities decreased by \$4,301,429.

Results of 2012-2013 Operations

During fiscal year ended June 30, 2013, the District net position decreased by \$241,136. A few additional significant factors affecting net position during the year are discussed below:

A. General Fund Operations

The General Fund is the main fund for the District and includes all the costs related to educating and providing athletic activities for the students of the Woodhaven-Brownstown School District such as: Salaries and benefits for Teachers, Classroom Aides, Administrators, Secretaries, Aides, Librarians, Counselors, and other miscellaneous positions; teaching supplies, employee training, utilities, building maintenance supplies and other.

The District's General Fund revenues exceeded expenditures by \$453,041 for the fiscal year ended June 30, 2013. The General Fund as of June 30, 2013, has a fund balance of \$3,715,141, or 9.3% of expenditures for the 2012-2013 fiscal year. The School District continues to seek ways in which to become more efficient in order to continue to build fund equity and allow for increased expenditures to meet student needs and to meet the fluctuations that result from State of Michigan funding.

B. Debt Service Fund Operations

The Debt Service Funds consist of seven (7) separate debt funds as follows: 2002 Debt, 2003 Debt, 2004 Debt, 2006 Debt, 2006B Debt, 2009 Debt and 2009B Debt. The Debt Service Funds are set up to collect taxes and pay annual debt payments. At June 30, 2013, the Debt Service Funds had \$3,070 in fund equity available for future bond payments.

Woodhaven-Brownstown School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2013

The School District levies taxes to make debt payment obligations. If taxes levied are not sufficient the School District will borrow funds from the Michigan School Bond Loan Fund. Any funds borrowed from the Michigan School Bond Loan Fund will be paid back toward the end of the bond obligations. The District had no School Bond Loan Fund obligations in 2012-2013, but do foresee participation in 2013-14. The School District had compensated absences and accrued vacation liabilities outstanding at June 30, 2013, which totaled \$1,511,480.

The District made principal payments on bonded, long-term debt obligations that reduced the amount of the District's long-term liabilities as follows:

	Principal Balance June 30, 2012	Additions and New Debt	Principal Payments	Principal Balance June 30, 2013
2003 Bonds	\$ 1,125,000	\$ -	\$ 385,000	\$ 740,000
2004 Bonds	3,375,000	-	1,125,000	2,250,000
2006 Bonds	43,235,000	-	1,815,000	41,420,000
2006 B Bonds	14,270,000	-	-	14,270,000
2009 Bonds	3,275,000	-	925,000	2,350,000
2009 B Bonds	1,175,000	-	240,000	935,000
Total long-term bond obligations	<u>\$ 66,455,000</u>	<u>\$ -0-</u>	<u>\$ 4,490,000</u>	<u>\$ 61,965,000</u>

C. School Service Funds

The Woodhaven-Brownstown School District also has school service funds that include the following: Cafeteria Fund, Funded Projects Fund, and the Special Education Fund.

The Cafeteria Fund is a fund that reports the food service program. In 2012-2013, the Cafeteria Fund had revenues of \$1,555,699 and expenditures of \$1,610,928. At June 30, 2013, the Cafeteria Fund had a fund balance of \$10,722.

The Funded Projects Fund is a fund that reports all activities related to the Federal and State grant programs. In 2012-2013, the Funded Projects Fund had revenues of \$2,802,943 and expenditures (including transfers) of \$2,802,943. The Funded Projects Fund maintains a zero fund balance.

The Special Education TOTE Fund is a fund that reports all activities related to services provided to Special Education TOTE students. In 2012-2013, the Special Education TOTE Fund had revenues (including transfers and payments from other districts) of \$2,877,230 and expenditures of \$2,564,675. The Special Education TOTE Fund maintains a zero fund balance.

D. Net Investment in Capital Assets

The District's net investment in capital assets decreased by \$3,700,193 during the fiscal year. This can be summarized as follows:

	Balance June 30, 2012	Net Additions	Balance June 30, 2013
Capital assets	\$ 156,071,307	\$ 999,045	\$ 157,070,352
Less: accumulated depreciation	<u>(62,506,028)</u>	<u>(4,699,238)</u>	<u>(67,205,266)</u>
Net investment in capital outlay	<u>\$ 93,565,279</u>	<u>\$ (3,700,193)</u>	<u>\$ 89,865,086</u>

IMPORTANT ECONOMIC FACTORS

1. State of Michigan Unrestricted Aid (Net State Foundation Grant)

The State of Michigan aid, unrestricted, is determined with the following variables:

- a. State of Michigan State Aid Act per student foundation allowance
- b. Student Enrollment - Blended at 90 percent of current year's fall count and 10 percent of prior year's winter count
- c. The District's non-homestead property valuation

Per Student, Foundation Allowance:

Annually, the State of Michigan establishes the per student foundation allowance. The Woodhaven-Brownstown School District foundation allowance was \$7,252 per student for the 2012-2013 school year.

Student Enrollment:

The District's blended student enrollment for 2012-2013 was 4,944 students. The District's enrollment decreased by students from the prior school year's student count. The following summarizes blended student enrollments in the past five years:

	<u>Student FTE</u>	<u>FTE Change from Prior Year</u>
2012 - 2013	4,944	100
2011 - 2012	4,844	(129)
2010 - 2011	4,973	(153)
2009 - 2010	5,126	(178)
2008 - 2009	5,304	(20)

Subsequent to year end June 30, 2013, preliminary student enrollments for 2013-2014 indicate that enrollments will increase slightly.

2. Property Taxes levied for General Operations (General Fund Non-Homestead Taxes)

The District levies 18.0000 mills of property taxes for operations (General Fund) on Non-Homestead properties. Under Michigan law, the taxable levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at the rate of the prior year's CPI increase or five (5) percent, whichever is less. At the time of sale, a property's taxable valuation is readjusted to the State Equalized Value, which is, theoretically, 50 percent of the market value. The District's non-homestead property tax levy for 2012-2013 fiscal year was \$6,853,763. The non-homestead tax levy decreased by approximately 1.3 percent from the prior year, but overall increased by 14 percent due to levying the full 18 mills.

Subsequent to year end June 30, 2012, the District was successful in a Headlee override to restore to the maximum 18 mill of property taxes for operation on Non-Homestead properties.

3. Debt Fund Property Taxes

The District's debt fund levy, which is used to pay the principal and interest on bond obligations, is based on the taxable valuation of all properties: homestead and non-homestead.

For 2012-2013, the District's debt millage levy was 7 mills that generated revenue of \$7,012,133.

4. Sinking Fund Property Taxes

The voters of Woodhaven-Brownstown School District approved a Sinking Fund millage to fund capital improvements and related activities. The District's Sinking Fund levy, which is used to pay the capital related costs, is based on the taxable valuation of all properties: homestead and non-homestead.

For 2012-2013, the District Sinking Fund millage levy was .9778 mills that generated revenue of \$979,071.

GENERAL FUND BUDGET & ACTUAL REVENUES & EXPENDITURES

Listed below is an analysis of the original budget and final budget to the final actual.

General Fund Expenditures Budget vs. Actual

Fiscal Year	Original Budget	Final Budget	Actual	Variances	
				Actual & Original Budget	Actual & Final Budget
2012 - 2013	\$ 38,611,512	\$ 40,050,602	\$ 39,863,415	2.36%	0.47%

General Fund Revenues Budget vs. Actual

Fiscal Year	Original Budget	Final Budget	Actual	Variances	
				Actual & Original Budget	Actual & Final Budget
2012 - 2013	\$ 37,124,469	\$ 39,487,571	\$ 39,288,838	0.07%	0.04%

Original vs. Final Budget:

The Uniform Budget Act of the State of Michigan requires that the Board of Education approve the original budget for the upcoming year prior to July 1, the start of the fiscal year.

As a matter of practice, Woodhaven-Brownstown School District amends its budget periodically during the school year. The June 2013 budget amendment was the final budget for the fiscal year.

Revenue Change from Original to Final Budget:

		Percent
Total Revenues Original Budget	\$ 37,124,469	100.00
Total Revenues Final Budget	<u>39,487,571</u>	<u>100.07</u>
Increase in Budget Revenues	<u>\$ 2,363,102</u>	<u>0.07</u>

The District's actual General Fund revenues were less than the final budget by \$198,733, a negative variance of 0.5% from the final budget.

General Fund Expenditures:

The District's budget for expenditures changed as follows during the year:

		<u>Percent</u>
Total Expenditures Original Budget	\$ 38,611,512	100.00
Total Expenditures Final Budget	<u>40,050,602</u>	<u>97.64</u>
Decrease in Budget Expenditures	<u>\$ 1,439,090</u>	<u>2.36</u>

The District's actual expenditures were less than the final budget by \$187,187; a positive variance of 0.5% from the final budget.

Additional Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration considered many factors when setting the School District's 2014 fiscal year 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 2014 fiscal year is 10 percent and 90 percent of the February 2014 and September 2013 student counts, respectively. The 2014 fiscal year budget was adopted in June 2013, based on an estimate of students that will be enrolled in September 2013. Approximately 80 percent to 85 percent of total General Fund revenues are from the foundation allowance. Under State law, the School District cannot access additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2013-2014 school year, we anticipated that the fall student count will be increased slightly. This was above the anticipated student count used in creating the 2014 fiscal year budget. Once the final student count and related per pupil funding is validated, appropriate budget amendments will be adopted.

Since the School District's revenue is heavily dependent on State Funding and the status of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to school districts.

In fiscal year 2013, for those hired before July 1, 2010, the health and pension charge to employers in the District's retirement plan had been 24.46 percent of payroll, which was comprised of 8.5 percent for health and 15.96 percent for pension. The contribution rate for fiscal year 2014 is capped at 24.46 percent of payroll (based upon Senate Bill 7), which is comprised of 8.75 percent for health and 18.62 percent for pension. In fiscal year 2013, for those hired on or after July 1, 2010, the health and pension charge to employers in the District's retirement plan had been 23.23 percent of payroll, which was comprised of 8.5 percent for health and 14.73 percent for pension. The contribution rate for fiscal year 2013 is set at 26.14 percent of payroll, which is comprised of 8.75 percent for health and 17.39 percent for pension.

Contacting the District's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances. If you have questions about this report or need additional information, it can be obtained by contacting the following person:

Mr. Thomas S. Wall, CPA, CFO
Assistant Superintendent, Business and Support Services
Woodhaven-Brownstown School District
24821 Hall Road
Woodhaven, MI 48183
Phone: (734) 783-3300

BASIC FINANCIAL STATEMENTS

Woodhaven-Brownstown School District

STATEMENT OF NET POSITION

June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 3,943,413
Accounts receivable	24,501
Taxes receivable	740,646
Due from other governmental units	7,367,447
Prepays	17,431
Inventories	<u>53,984</u>
Total current assets	12,147,422
Noncurrent assets	
Capital assets not being depreciated	949,456
Capital assets, net of accumulated depreciation	<u>88,915,630</u>
Total noncurrent assets	<u>89,865,086</u>
TOTAL ASSETS	102,012,508
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized bond discount	1,453,743
LIABILITIES	
Current liabilities	
Accounts payable	937,306
Accrued payroll	3,259,137
Accrued interest payable	452,000
Other accrued liabilities	2,234,936
Due to other governmental units	1,161,184
Unearned revenue	51,883
Current portion of compensated absences	498,101
Current portion of long-term debt	<u>4,810,000</u>
Total current liabilities	13,404,547
Noncurrent liabilities	
Noncurrent portion of compensated absences	1,013,379
Noncurrent portion of long-term debt	<u>57,155,000</u>
Total noncurrent liabilities	<u>58,168,379</u>
TOTAL LIABILITIES	<u>71,572,926</u>
NET POSITION	
Net investment in capital assets	29,353,829
Restricted for capital projects	774,043
Unrestricted	<u>1,765,453</u>
TOTAL NET POSITION	<u><u>\$ 31,893,325</u></u>

See accompanying notes to financial statements.

Woodhaven-Brownstown School District

STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

Governmental Activities	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants	Revenues and Changes in Net Position
Functions/Programs				Governmental Activities
Instruction	\$ 27,101,036	\$ 94,831	\$ 5,638,575	\$ (21,367,630)
Supporting services	18,332,783	384,307	3,866,773	(14,081,703)
Community services	22,831	-	-	(22,831)
Food service	1,624,020	572,303	983,396	(68,321)
Interest on long-term debt	3,027,321	-	-	(3,027,321)
Unallocated depreciation	5,467,805	-	-	(5,467,805)
TOTAL EXPENSES	\$ 55,575,796	\$ 1,051,441	\$ 10,488,744	(44,035,611)
General Revenues				
				6,822,176
				7,012,133
				979,071
				28,803,291
				872
				50,072
				126,860
				TOTAL GENERAL REVENUES
				43,794,475
				(241,136)
				Net position, beginning of year
				32,134,461
				Net position, end of year
				\$ 31,893,325

See accompanying notes to financial statements.

Woodhaven-Brownstown School District
GOVERNMENTAL FUNDS BALANCE SHEET

June 30, 2013

	General	Nonmajor Governmental Funds	Total
ASSETS			
Cash and cash equivalents	\$ 3,297,665	\$ 645,748	\$ 3,943,413
Accounts receivable	24,122	379	24,501
Taxes receivable	422,644	318,002	740,646
Due from other funds	-	1,403,009	1,403,009
Due from other governmental units	7,367,447	-	7,367,447
Prepays	17,431	-	17,431
Inventories	36,405	17,579	53,984
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 11,165,714</u>	<u>\$ 2,384,717</u>	<u>\$ 13,550,431</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 443,997	\$ 493,309	\$ 937,306
Accrued payroll	3,259,137	-	3,259,137
Other accrued liabilities	2,234,656	280	2,234,936
Due to other funds	1,123,156	279,853	1,403,009
Due to other governmental units	349,790	811,394	1,161,184
Unearned revenue	39,837	12,046	51,883
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	7,450,573	1,596,882	9,047,455
FUND BALANCES			
Nonspendable			
Prepays and inventories	53,836	17,579	71,415
Restricted			
Capital projects	-	774,043	774,043
Debt service	-	3,070	3,070
Assigned			
Subsequent year's expenditures	671,656	-	671,656
Technology replacement	53,004	-	53,004
Building and site maintenance	10,104	-	10,104
Curriculum	210,678	-	210,678
Unassigned	2,715,863	(6,857)	2,709,006
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>3,715,141</u>	<u>787,835</u>	<u>4,502,976</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,165,714</u>	<u>\$ 2,384,717</u>	<u>\$ 13,550,431</u>

See accompanying notes to financial statements.

Woodhaven-Brownstown School District

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION

June 30, 2013

Total fund balance - governmental funds		\$ 4,502,976
<p>Amounts reported for the governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.</p>		
The cost of capital assets is	\$ 157,070,352	
Accumulated depreciation is	<u>(67,205,266)</u>	
		89,865,086
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
<p>Long-term liabilities at year-end consist of:</p>		
Unamortized bond discount	1,453,743	
Bonds payable	(61,965,000)	
Accrued interest payable	(452,000)	
Compensated absences	<u>(1,511,480)</u>	
		<u>(62,474,737)</u>
Net position of governmental activities		<u><u>\$ 31,893,325</u></u>

Woodhaven-Brownstown School District

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS

Year Ended June 30, 2013

	General	Nonmajor Governmental Funds	Total
REVENUES			
Local sources	\$ 7,214,643	\$ 8,584,075	\$ 15,798,718
State sources	32,047,064	1,866,144	33,913,208
Federal sources	27,131	2,806,188	2,833,319
	<u>39,288,838</u>	<u>13,256,407</u>	<u>52,545,245</u>
TOTAL REVENUES	39,288,838	13,256,407	52,545,245
EXPENDITURES			
Current			
Instruction	25,195,364	1,687,200	26,882,564
Supporting services	14,335,544	3,849,451	18,184,995
Community services	-	22,831	22,831
Food service	-	1,610,928	1,610,928
Capital outlay	332,507	1,747,031	2,079,538
Debt service			
Principal retirement	-	4,490,000	4,490,000
Interest, fiscal and other charges	-	2,944,764	2,944,764
	<u>39,863,415</u>	<u>16,352,205</u>	<u>56,215,620</u>
TOTAL EXPENDITURES	39,863,415	16,352,205	56,215,620
EXCESS OF REVENUES (UNDER) EXPENDITURES	(574,577)	(3,095,798)	(3,670,375)
OTHER FINANCING SOURCES (USES)			
Transfers in	332,096	282,377	614,473
Transfers out	(39,948)	(574,525)	(614,473)
Payments from other districts	732,890	2,053,945	2,786,835
Other	2,580	-	2,580
	<u>1,027,618</u>	<u>1,761,797</u>	<u>2,789,415</u>
TOTAL OTHER FINANCING SOURCES (USES)	1,027,618	1,761,797	2,789,415
NET CHANGE IN FUND BALANCES	453,041	(1,334,001)	(880,960)
Fund balances, beginning of year	<u>3,262,100</u>	<u>2,121,836</u>	<u>5,383,936</u>
Fund balances, end of year	<u>\$ 3,715,141</u>	<u>\$ 787,835</u>	<u>\$ 4,502,976</u>

See accompanying notes to financial statements.

Woodhaven-Brownstown School District

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

Net change in fund balances - total governmental funds **\$ (880,960)**

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

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

Capital outlay	\$ 1,767,612	
Depreciation expense	<u>(5,467,805)</u>	
Excess of depreciation expense over capital outlay		(3,700,193)

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

Bond and note principal retirement	4,490,000	
Amortization of bond discount	<u>(121,145)</u>	
		4,368,855

Some expenditures reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. In the current period, these amounts consist of:

Decrease in accrued interest payable	38,588	
(Increase) in compensated absences and accrued vacation liabilities	<u>(67,426)</u>	
		<u>(28,838)</u>

Change in net position of governmental activities **\$ (241,136)**

Woodhaven-Brownstown School District
Fiduciary Fund
STATEMENT OF ASSETS AND LIABILITIES
June 30, 2013

	<u>Student Activities</u>
ASSETS	
Cash and cash equivalents	<u>\$ 401,236</u>
LIABILITIES	
Due to student groups and activities	<u>\$ 401,236</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

As required by accounting principles generally accepted in the United States of America; GASB Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statements No. 39 and 61); and *Statement on Michigan Governmental Accounting and Auditing No. 4*, these financial statements present the financial activities of Woodhaven-Brownstown School District. The District has no activities that would be classified as component units.

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

2. Basis of Presentation

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the district-wide financial statements) present information for the District as a whole. All nonfiduciary activities of the District are included (i.e., fiduciary fund activities are not included in the district-wide financial statements). Interfund activity has been eliminated in the preparation of the district-wide financial statements.

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

FUND FINANCIAL STATEMENTS

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District utilizes governmental and fiduciary funds.

The governmental fund financial statements present the District's individual major fund and aggregated nonmajor funds. A separate column is shown for each major fund on the balance sheet and statement of revenues, expenditures, and changes in fund balances. Nonmajor funds are combined and shown in a single column. Fiduciary funds are reported by type.

The major fund of the District is:

General Fund - The General Fund is used to account for money or other resources provided to the District to support the educational programs and general operations of the District, except those required to be accounted for in another fund.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Measurement Focus

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

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

There is no measurement focus for fiduciary agency fund since assets equal liabilities.

4. Basis of Accounting

Basis of accounting refers to the timing under which transactions are recognized for financial reporting purposes. Governmental fund financial statements use the modified accrual basis of accounting. The district-wide and fiduciary fund financial statements are prepared using the accrual basis of accounting.

Under the accrual basis of accounting, revenue is recorded in the period in which it is earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Property tax revenue is recognized in the fiscal year for which it is levied. Revenues for grants, entitlements, and donations are recognized when all eligibility requirements imposed by the provider have been met. Unearned revenue is recorded when resources are received by the District before it has legal claim to them, such as when grant monies are received prior to the incurrence of qualified expenditures.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which is defined as expected to be received within 60 days of the end of the current period. Revenues susceptible to accrual include property taxes, state and federal aid, and interest revenue. Other revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

The District reports unearned and unavailable revenue on its governmental funds balance sheet, as applicable. Unavailable revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Resources are considered available if they are collected during the current fiscal year or soon enough afterward to be used in payment of current year liabilities - defined as expected to be received within sixty (60) days of year-end. Unearned revenues arise when the District receives resources before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

If/when both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources if they are needed.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types.

The District maintains a formalized encumbrance accounting system. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as committed fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year-end; the commitments will be reappropriated and honored during the subsequent year. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means for financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amounts appropriated.
- d. The budgets are legally adopted at the functional level; however, they are maintained at the object level for control purposes. Any revisions that alter the total expenditures at the functional level must be approved by the School Board.
- e. The Superintendent is authorized to transfer budgeted amounts for purposes of meeting emergency needs of the District; however, these transfers must be approved subsequently by the Board of Education.
- f. Formal budgetary integration is employed as a management control device during the year for the General Fund and all Special Revenue Funds.
- g. The budget, as presented, has been amended in a legally permissible manner.

6. Cash and Cash Equivalents

Cash and cash equivalents consist of checking and savings accounts, pooled investment funds, short-term investments, and imprest cash with an original maturity of 90 days or less. Cash equivalents are recorded at market value.

7. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" on the governmental funds balance sheet.

8. Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Inventories

Inventories are stated at cost on a first in/first out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. The Cafeteria Fund inventory consists of food and paper goods. Inventory amounts are equally offset by nonspendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of fund balance.

10. Due from Other Governmental Units

Due from other governmental units consists of various amounts owed to the District for grant programs and State Aid payments. The State of Michigan's funding stream of State Aid payments results in the final two (2) payments for the fiscal year ended June 30, 2013 to be paid in July and August 2013. Of the total amount of \$7,367,447 due from other governmental units, \$6,494,281 consists of State Aid and the remaining \$873,166 from other governmental grants.

11. Capital Assets

Capital assets include land and improvements, buildings and additions, equipment, furniture, and other assets, and buses and other vehicles and are recorded (net of accumulated depreciation, if applicable) in the district-wide financial statements. Capital assets are those with an initial individual cost greater than \$5,000 and an estimated useful life of more than one (1) year. Capital assets also include individual cost items that are less than \$5,000 if the items were part of a large purchase to equip buildings. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the district-wide financial statements. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

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

Land improvements	20 years
Buildings and additions	20 - 50 years
Equipment, furniture, and other assets	5 - 20 years
Buses and other vehicles	8 years

The District has no assets that would be classified as infrastructure assets.

12. Compensated Absences

Based on the requirements of GASB Statement No. 16, *Accounting for Compensated Absences*, the District has recorded all liabilities associated with compensated absences. Compensated absences consist of earned but unused accumulated vacation and sick leave benefits, early retirement incentives, and other severance benefits. Accumulated vested severance amounts and nonvested severance amounts that are probable to vest and be paid at termination are considered payable from future resources and are recorded along with the related payroll taxes as a long-term liability in the district-wide financial statements.

13. Accrued Interest Payable

Accrued interest is presented for long-term obligations in the district-wide financial statements related to interest payable on general obligation bonds.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

14. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the governmental funds balance sheet, when applicable, will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. Unamortized bond discount is presented in the Statement of Net Position and results from the differences in the carrying value of the bonds and their purchase price. This amount was deferred and is being amortized over the life of the related bond obligations.

In addition to liabilities, the statement of net position and the balance sheet when applicable will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows, represents an acquisition of net position/fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District does not report any deferred inflows of resources.

15. Long-term Obligations

Long-term debt is recognized as a liability in the district-wide financial statements when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as long-term. Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in a Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

16. Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are assessed as of December 31 and the related property taxes are levied and become a lien on July 1 of the following year for 100 percent of the taxes that are due September 30. At this time, penalties and interest are assessed and the total obligation is added to the county tax rolls. School District property tax revenues are recognized when levied to the extent that they result in current revenue (collected as of year-end). Amounts received subsequent to June 30 are recognized as revenue when collected.

The District levies taxes of \$17.6778 per \$1,000 of taxable valuation on nonhomestead property for general governmental services. The District also levies a total of \$7.0000 per \$1,000 of taxable valuation for debt service and a total of \$0.9778 per \$1,000 of taxable valuation of all property for sinking fund purposes.

17. State Foundation Revenue

Beginning with the fiscal year ended June 30, 1995, the State of Michigan adopted a foundation grant approach, which provides for a specific annual amount of revenue per student based on a statewide formula. Prior to the fiscal year ended June 30, 1995, the State utilized a district power equalizing approach. The foundation is funded from state and local sources. Revenues from State sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of State funds to school districts based on information supplied by the districts.

For the year ended June 30, 2013, the foundation allowance was based on the average of pupil membership counts taken in September 2012 and February 2012. The average calculation was weighted 90% for the September 2012 count and 10% for the February 2012 count.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

17. State Foundation Revenue - continued

The State portion of the foundation is provided primarily by a State education property tax millage of 6 mills and an allocated portion of State sales and other taxes. The local portion of the foundation is funded primarily by nonhomestead property taxes, which may be levied at a rate of up to 18 mills. The State revenue is recognized during the foundation period (currently the fiscal year) and is funded through nine (9) payments made during the fiscal year and two (2) payments made subsequent to year-end. The local revenue is recognized as outlined above under Property Taxes.

18. State Categorical Revenue

The District also receives revenue from the State to administer certain categorical education programs. State rules require that revenue earmarked for these programs be expended for its specific purpose. Categorical funds received which are not expended by the close of the fiscal year are recorded as unearned revenue.

19. Interfund Transactions

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers on the governmental fund financial statements. Transfers are netted as part of the reconciliation to the district-wide financial statements.

20. Restrictions of Net Position

Restrictions of net position shown in the district-wide financial statements indicate that restrictions imposed by the funding source or some other outside source which precludes their use for unrestricted purposes.

21. Federal Programs

Federal programs are accounted for in the specific governmental fund to which they relate. The District has not integrated its Single Audit reports and financial data as part of the financial statements. The Single Audit reports and financial data will be issued under separate cover as supplementary information to the financial statements.

22. Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

23. Comparative Data

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE B: CASH AND CASH EQUIVALENTS

In accordance with Michigan Public Act 451 of 1976, Section 1223(1), as amended, the District is authorized to invest its surplus funds in the following types of investments:

1. Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.
2. Certificates of deposit issued by a State or National bank, savings accounts of a State or Federal savings and loan association, or certificates of deposit or share certificates of a State or Federal credit union organized and authorized to operate in this State.
3. Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.
4. Securities issued or guaranteed by agencies or instrumentalities of the United States government.
5. United States government or federal agency obligation repurchase agreements.
6. Bankers' acceptances issued by a bank that is a member of the Federal Depository Insurance Corporation (FDIC).
7. Mutual funds composed entirely of investment vehicles that are legal for direct investment by a School District.
8. Investment pools, as authorized by the Surplus Funds Investment Pool Act, Act No. 367 of the Public Acts of 1982, being sections 129.111 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a School District.

Michigan Public Acts authorize school districts in Michigan to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations. Deposits of the District are at federally insured banks and credit unions in the State of Michigan in the name of the School District.

Deposits

There is custodial credit risk as it relates to 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. As of June 30, 2013, the carrying amount of the District's deposits was \$366,312 and the bank balance was \$369,597, of which \$250,000 was covered by federal depository insurance. The balance of \$119,597 was uninsured and uncollateralized. The District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE B: CASH AND CASH EQUIVALENTS - CONTINUED

Investments

As of June 30, 2013, the carrying amounts and market values for each type of investment as reported in the cash and cash equivalents captions on the combined balance sheet are as follows:

<u>Investment Type</u>	<u>Market Value</u>	<u>Carrying Amount</u>	<u>Weighted Average Maturity</u>	<u>Rating</u>
Uncategorized - Pooled investment funds				
Comerica Government Cash Investment Fund	\$ 4,555,189	\$ 3,560,249	N/A	Not rated
JPMorgan Chase Michigan Government Standard	1,356	1,356	N/A	Moody's AAA
MILAF+ MAX Class	416,382	416,382	N/A	S+P AAAM
	<u>\$ 4,972,927</u>	<u>\$ 3,977,987</u>		

Credit risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). The District does not currently have any investments subject to rating.

Interest rate risk

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

Concentration of credit risk

The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial credit risk

The District will minimize custodial risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities authorized by the Board and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business in accordance with the Board approved policy. The District does not hold any investments subject to custodial credit risk of investments at year end.

Woodhaven-Brownstown School District

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE B: CASH AND CASH EQUIVALENTS - CONTINUED

Custodial credit risk - continued

As of June 30, 2013, the District's deposits and investments were reported in financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and cash equivalents	<u>\$ 3,943,413</u>	<u>\$ 401,236</u>	<u>\$ 4,344,649</u>

The District had \$350 of cash on hand at June 30, 2013.

Due to significantly higher cash flows at certain periods during the year, the amount the District held as cash and cash equivalents increased significantly. As a result, the amount of uninsured and uncollateralized cash and cash equivalents were substantially higher at those peak periods than at year-end.

NOTE C: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 879,837	\$ -	\$ -	\$ 879,837
Construction in progress	458,371	69,619	(458,371)	69,619
Total capital assets not being depreciated	1,338,208	69,619	(458,371)	949,456
Capital assets being depreciated				
Land improvements	9,503,552	578,795	(11,000)	10,071,347
Buildings and additions	128,215,197	939,251	(419,066)	128,735,382
Equipment, furniture, and other assets	14,744,693	456,436	(338,501)	14,862,628
Buses and other vehicles	2,269,657	181,882	-	2,451,539
Total capital assets being depreciated	154,733,099	2,156,364	(768,567)	156,120,896
Less accumulated depreciation for:				
Land improvements	(3,006,540)	(488,197)	11,000	(3,483,737)
Building and additions	(45,608,587)	(3,842,121)	309,376	(49,141,332)
Equipment, furniture, and other assets	(11,805,623)	(918,805)	336,651	(12,387,777)
Buses and other vehicles	(2,085,278)	(107,142)	-	(2,192,420)
Total accumulated depreciation	(62,506,028)	(5,356,265)	657,027	(67,205,266)
Net capital assets being depreciated	92,227,071	(3,199,901)	(111,540)	88,915,630
Total net capital assets	<u>\$ 93,565,279</u>	<u>\$ (3,130,282)</u>	<u>\$ (569,911)</u>	<u>\$ 89,865,086</u>

Woodhaven-Brownstown School District

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE C: CAPITAL ASSETS - CONTINUED

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as "unallocated." The current depreciation expense in the Governmental Activities of \$5,467,805 has been adjusted by \$111,540 for the disposal of capital assets during the current year, in accordance with the GASB Statement No. 34 implementation guide which states that immaterial losses may be handled as an adjustment to the current period's depreciation expense.

NOTE D: LONG-TERM DEBT

The following is a summary of changes in long-term debt obligations of the District for the year ended June 30, 2013:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Amounts</u> <u>Due within</u> <u>One Year</u>
Bonds	\$ 66,455,000	\$ -	\$ 4,490,000	\$ 61,965,000	\$ 4,810,000
Other obligations	1,444,054	69,112	1,686	1,511,480	498,101
Total	<u>\$ 67,899,054</u>	<u>\$ 69,112</u>	<u>\$ 4,491,686</u>	<u>\$ 63,476,480</u>	<u>\$ 5,308,101</u>

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

General Obligation Bonds

\$7,985,000 Refunding Bonds dated March 19, 2003, due in annual installments of \$365,000 to \$1,855,000 through May 2015; interest at 2.00% to 3.80%.	\$ 740,000
\$10,745,000 Serial Bonds dated May 20, 2004, due in annual installments of \$670,000 to \$1,125,000 through May 2015; interest at 2.00% to 5.00%.	2,250,000
\$44,615,000 Refunding Bonds dated February 22, 2006, due in annual installments of \$125,000 to \$2,295,000 through May 2032; interest at 3.25% to 5.00%.	41,420,000
\$14,270,000 Refunding Bonds dated October 18, 2006, due in annual installments of \$1,125,000 to \$1,210,000 beginning in May 2016 through May 2027; interest-only payments through May 2015; interest at 4.00% to 5.00%.	14,270,000
\$6,690,000 Refunding Bonds dated June 15, 2009, due in annual installments of \$890,000 to \$1,415,000 through May 2015; interest at 3.94%.	2,350,000
\$1,915,000 Refunding Bonds dated September 1, 2009, due in annual installments of \$230,000 to \$250,000 through May 2017; interest ranging from 3.00% to 5.00%.	<u>935,000</u>
	<u>\$ 61,965,000</u>

Woodhaven-Brownstown School District

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE D: LONG-TERM DEBT - CONTINUED

Other Obligations

Other long-term obligations include the following:

Employee compensated absences	\$ 1,447,684
Accrued vacation	63,796
	<u>63,796</u>
	<u>\$ 1,511,480</u>

Annual Requirements for Bonded Debt

The annual requirements to pay the debt principal and interest on general obligation bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 4,810,000	\$ 2,712,000	\$ 7,522,000
2015	5,070,000	2,477,295	7,547,295
2016	3,665,000	2,253,440	5,918,440
2017	3,645,000	2,093,290	5,738,290
2018	3,465,000	1,933,790	5,398,790
2019-2023	17,240,000	7,384,242	24,624,242
2024-2028	15,640,000	3,753,037	19,393,037
2029-2033	8,430,000	945,001	9,375,001
	<u>\$ 61,965,000</u>	<u>\$ 23,552,095</u>	<u>\$ 85,517,095</u>

Advance Refunding - Prior

The District has issued various refunding bonds to defease bonded debt. These refundings were accomplished by establishing irrevocable trusts with escrow agents composed of cash and U.S. Government Securities sufficient to meet the applicable principal and interest payments. The various refunding bonds were used to fund escrow amounts, pay the cost of issuance of the refunding bonds, and to pay the remaining balances the defeased obligations. Accordingly, the various trust account assets and liabilities for the defeased bonds are not included in the District's financial statements.

NOTE E: INTERFUND RECEIVABLES AND PAYABLES

Amounts appearing as interfund payables and receivables arise from two types of transactions. One type of transaction is where a fund will pay for a good or service that at least a portion of the benefit belongs to another fund. The second type of transaction is where one fund provides a good or service to another fund. Balances at the end of the year are for transfers that have not cleared as of the balance sheet date.

Woodhaven-Brownstown School District

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE E: INTERFUND RECEIVABLES AND PAYABLES - CONTINUED

The amount of interfund receivables and payables at June 30, 2013, are as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund		
Nonmajor governmental funds	\$ -	\$ 1,123,156
Nonmajor governmental funds		
General Fund	1,123,156	-
Nonmajor governmental funds	<u>279,853</u>	<u>279,853</u>
	<u>\$ 1,403,009</u>	<u>\$ 1,403,009</u>

NOTE F: INTERFUND TRANSFERS

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

Transfers to General Fund from:	
Nonmajor governmental funds	<u>\$ 332,096</u>
Transfers to nonmajor governmental funds from:	
General Fund	\$ 39,948
Nonmajor governmental funds	<u>242,429</u>
	<u>\$ 282,377</u>

The transfer to the General Fund from the Special Education Fund was to fund special education expenses. The transfer from the Funded Projects Fund to the Cafeteria Fund was to fund-at-risk cafeteria expenses. Transfers between Debt Service Funds were made to fund bond principal and interest payments.

NOTE G: OPERATING LEASE

The District entered into a lease with a third-party in June 2010 for office equipment for a period of 48 months with monthly payments of \$6,709 per month. The District's future minimum lease payments for the office equipment, accounted for as operating leases at June 30, 2013, are \$80,505 for the year ending June 30, 2014.

NOTE H: EMPLOYEE PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

All of the District's employees, except students, are eligible to participate in the State-wide Michigan Public School Employees' Retirement System (MPERS), a multiple-employer, cost-sharing, State-wide public employee retirement system. The MPERS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The report for the fiscal year-end September 30, 2012, the last year available, may be obtained by contacting the State of Michigan Department of Technology, Management and Budget.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE H: EMPLOYEE PENSION AND OTHER POSTEMPLOYMENT BENEFITS - CONTINUED

Funding Policy

Employer contributions to the pension system result from implementing effects of the School Finance Reform Act. Member contribution rates vary based on date of hire and certain voluntary elections. Employees who selected MIP on or before December 31, 1989, contributed 4% from January 1, 1987 to December 31, 1989 and 3.9% thereafter. Employees first hired on or after January 1, 1990 through June 30, 2008 are required to contribute based on a graduated rate: 3% of the first \$5,000 (up to \$150); \$150 plus 3.6% of \$5,001 through \$15,000 (up to \$510 total); and \$510 plus 4.3% of all wages over \$15,000. Employees first hired on or after July 1, 2008 are required to contribute based on a graduated rate: 3% of the first \$5,000 (up to \$150); \$150 plus 3.6% of \$5,001 through \$15,000 (up to \$510 total); and \$510 plus 6.4% of all wages over \$15,000. In addition, employees first hired on or after July 1, 2010 are required to enroll in the Pension Plus Plan, which includes a defined contribution component of 3% of all wages to a retiree health care fund and 2% to a hybrid defined contribution pension plan.

Pension Benefits

Each school district is required to contribute the full actuarial funding contribution amount of pension benefits.

Other Postemployment Benefits

Under the MPSERS Act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverage through MPSERS. Retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10.0 percent of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits on a pay-as-you-go basis. Participating employers are required to contribute at that rate.

Contribution rates for the year ended June 30, 2013, are as follows:

	<u>Pension Contribution Rate</u>		<u>Health Contribution Rate</u>	
	<u>Basic/MIP</u>	<u>Pension Plus</u>	<u>Basic/MIP</u>	<u>Pension Plus</u>
June 1, 2012-September 30, 2012	15.96%	14.73%	8.50%	8.50%
October 1, 2012-January 31, 2013	16.25%	12.78-15.02%	9.11%	8.18-9.11%
February 1, 2013-June 30, 2013	12.78-15.21%	12.78-15.02%	9.11%	8.18-9.11%

The District's required and actual contributions to the various plans for the last three fiscal years are as follows:

<u>Fiscal year ending June 30,</u>	<u>Defined Benefit Plan</u>		<u>Defined Contribution Plan</u>	
	<u>Employer Retirement Contributions</u>	<u>Employer Health Contributions</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
2013	\$ 3,865,862	\$ 2,167,262	\$ 18,672	\$ 32,770
2012	2,929,951	1,560,438	Not Available	Not Available
2011	2,904,112	2,030,012	Not Available	Not Available

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE I: RISK MANAGEMENT

The District participates in a pool, the MASB-SEG Property and Casualty Pool with other school districts for property, fleet, liability, in-land marine, equipment breakdown, builder's risk, employee dishonesty, crime, and errors and omissions. The pool is organized under Public Act 138 of 1982, as amended as a governmental group property and casualty self-insurance pool. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The District has not been informed of any special assessments being required.

The District also participates in a pool, the SEG Self-Insurer Workers' Disability Compensation Fund, with other school districts for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The District has not been informed of any special assessments being required.

NOTE J: SINKING FUND

The Sinking Fund of the District is funded by a voted millage as well as other local dollars (i.e., interest, etc.). For expenditures recorded within the Sinking Fund, the District has complied with the applicable provisions of Section 1212(1) of the Revised School Code in current and prior years.

NOTE K: DETAILS OF FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

Fund Balance Classification Policies and Procedures

For committed fund balance, Woodhaven-Brownstown School District's highest level of decision-making authority is the Board of Education. The formal action that is required to be taken to establish a fund balance commitment has not been determined by Woodhaven-Brownstown School District.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE K: DETAILS OF FUND BALANCE CLASSIFICATIONS - CONTINUED

Fund Balance Classification Policies and Procedures - continued

For assigned fund balance, the District has not approved a policy indicating who is authorized to assign amounts to a specific purpose. As a result, this authority is retained by the Board of Education.

Woodhaven-Brownstown School District has not formally adopted a policy that defines the order of usage for fund balance amounts classified as restricted, committed, assigned, or unassigned. In the absence of such a policy, the District considers restricted amounts to have been spent first when an expenditure is incurred for which both restricted and unrestricted fund balance is available.

The School Board has adopted a fund balance policy. The fund balance policy prescribes the minimum unassigned fund balance as ranging from five (5) to twenty (20) percent of annual expenditures and outgoing transfers. This is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment. At June 30, 2013, the District is in compliance with the Board adopted policy for minimum unassigned fund balance.

NOTE L: CONTINGENT LIABILITIES

At times, the District may be a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District and its attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Amounts received or receivable from grantor agencies are subject 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 expenditures, which may be disallowed by the grantor, cannot be determined at this time although the District expected such amounts, if any, to be immaterial.

NOTE M: CHANGE IN ACCOUNTING PRINCIPLES

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, were implemented during the current year. These statements incorporate deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets and fund balance, when applicable.

NOTE N: UPCOMING ACCOUNTING PRONOUNCEMENT

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The statement requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the financial statements for the District's 2014-2015 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

Woodhaven-Brownstown School District

General Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 7,688,198	\$ 7,230,291	\$ 7,214,643	\$ (15,648)
State sources	29,054,711	31,812,620	32,047,064	234,444
Federal sources	381,560	444,660	27,131	(417,529)
TOTAL REVENUES	37,124,469	39,487,571	39,288,838	(198,733)
EXPENDITURES				
Current				
Instruction	24,588,764	25,216,089	25,195,364	20,725
Support services	13,457,644	13,916,787	13,780,385	136,402
Athletics	520,343	540,718	555,159	(14,441)
Capital outlay	44,761	377,008	332,507	44,501
TOTAL EXPENDITURES	38,611,512	40,050,602	39,863,415	187,187
EXCESS OF REVENUES (UNDER) EXPENDITURES	(1,487,043)	(563,031)	(574,577)	(11,546)
OTHER FINANCING SOURCES (USES)				
Transfers in	782,192	779,611	332,096	(447,515)
Transfers out	(356,043)	(625,718)	(39,948)	585,770
Payments from other districts	187,038	240,666	732,890	492,224
Other	-	-	2,580	2,580
TOTAL OTHER FINANCING SOURCES	613,187	394,559	1,027,618	633,059
NET CHANGE IN FUND BALANCE	(873,856)	(168,472)	453,041	621,513
Fund balance, beginning of year	3,262,100	3,262,100	3,262,100	-0-
Fund balance, end of year	<u>\$ 2,388,244</u>	<u>\$ 3,093,628</u>	<u>\$ 3,715,141</u>	<u>\$ 621,513</u>

Woodhaven-Brownstown School District

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2013

NOTE A: EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

During the year ended June 30, 2013, the District incurred expenditures in excess of the amounts appropriated as follows:

	<u>Amounts Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
General Fund			
Current			
Athletics	\$ 540,718	\$ 555,159	\$ 14,441

OTHER SUPPLEMENTARY INFORMATION

Woodhaven-Brownstown School District

Nonmajor Governmental Funds

COMBINING BALANCE SHEET

June 30, 2013

	Special Revenue Funds			Capital Projects Funds	
	Special Education	Funded Projects	Cafeteria	Capital Project Fund	Sinking Fund
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 202,489	\$ -	\$ 441,900
Accounts receivable	-	-	379	-	-
Taxes receivable	-	-	-	-	36,438
Due from other funds	812,977	137,318	64,990	-	387,724
Inventories	-	-	17,579	-	-
TOTAL ASSETS	\$ 812,977	\$ 137,318	\$ 285,437	\$ -0-	\$ 866,062
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,583	\$ 137,318	\$ 262,389	\$ -	\$ 92,019
Other accrued liabilities	-	-	280	-	-
Due to other funds	-	-	-	-	-
Due to other governmental units	811,394	-	-	-	-
Unearned revenue	-	-	12,046	-	-
TOTAL LIABILITIES	812,977	137,318	274,715	-0-	92,019
FUND BALANCES					
Nonspendable					
Inventories	-	-	17,579	-	-
Restricted					
Capital projects	-	-	-	-	774,043
Debt service	-	-	-	-	-
Unassigned	-	-	(6,857)	-	-
TOTAL FUND BALANCES	-0-	-0-	10,722	-0-	774,043
TOTAL LIABILITIES AND FUND BALANCES	\$ 812,977	\$ 137,318	\$ 285,437	\$ -0-	\$ 866,062

Debt Service Funds

2002 Debt	2003 Debt	2004 Debt	2006 Debt	2006B Debt	2009 Debt	2009B Debt	Total
\$ -	\$ 5	\$ 198	\$ 18	\$ 235	\$ 603	\$ 300	\$ 645,748
-	-	-	-	-	-	-	379
-	11,263	52,286	141,176	24,947	39,813	12,079	318,002
-	-	-	-	-	-	-	1,403,009
-	-	-	-	-	-	-	17,579
<u>\$ -0-</u>	<u>\$ 11,268</u>	<u>\$ 52,484</u>	<u>\$ 141,194</u>	<u>\$ 25,182</u>	<u>\$ 40,416</u>	<u>\$ 12,379</u>	<u>\$ 2,384,717</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 493,309
-	-	-	-	-	-	-	280
-	10,442	52,082	140,487	24,256	40,356	12,230	279,853
-	-	-	-	-	-	-	811,394
-	-	-	-	-	-	-	12,046
-0-	10,442	52,082	140,487	24,256	40,356	12,230	1,596,882
-	-	-	-	-	-	-	17,579
-	-	-	-	-	-	-	774,043
-	826	402	707	926	60	149	3,070
-	-	-	-	-	-	-	(6,857)
<u>-0-</u>	<u>826</u>	<u>402</u>	<u>707</u>	<u>926</u>	<u>60</u>	<u>149</u>	<u>787,835</u>
<u>\$ -0-</u>	<u>\$ 11,268</u>	<u>\$ 52,484</u>	<u>\$ 141,194</u>	<u>\$ 25,182</u>	<u>\$ 40,416</u>	<u>\$ 12,379</u>	<u>\$ 2,384,717</u>

Woodhaven-Brownstown School District

Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

Year Ended June 30, 2013

	Special Revenue Funds			Capital Projects Funds	
	Special Education	Funded Projects	Cafeteria	Capital Project Fund	Sinking Fund
REVENUES					
Local sources	\$ -	\$ 9,990	\$ 572,303	\$ 9,790	\$ 979,738
State sources	823,285	894,056	76,105	-	72,698
Federal sources	-	1,898,897	907,291	-	-
TOTAL REVENUES	823,285	2,802,943	1,555,699	9,790	1,052,436
EXPENDITURES					
Current					
Instruction	-	1,687,200	-	-	-
Support services	2,564,675	1,058,091	-	-	89,370
Community services	-	22,831	-	-	-
Food service	-	-	1,610,928	-	-
Capital outlay	-	-	-	336,052	1,410,979
Debt service					
Principal retirement	-	-	-	-	-
Interest, fiscal and other charges	-	-	-	-	-
TOTAL EXPENDITURES	2,564,675	2,768,122	1,610,928	336,052	1,500,349
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,741,390)	34,821	(55,229)	(326,262)	(447,913)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	55,228	-	-
Transfers to other funds	(312,555)	(34,821)	-	-	-
Payments from other districts	2,053,945	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,741,390	(34,821)	55,228	-0-	-0-
NET CHANGE IN FUND BALANCES	-0-	-0-	(1)	(326,262)	(447,913)
Fund balances, beginning of year	-	-	10,723	326,262	1,221,956
Fund balances, end of year	\$ -0-	\$ -0-	\$ 10,722	\$ -0-	\$ 774,043

Debt Service Funds

2002 Debt	2003 Debt	2004 Debt	2006 Debt	2006B Debt	2009 Debt	2009B Debt	Total
\$ 16	\$ 294,795	\$ 1,301,181	\$ 3,501,994	\$ 620,897	\$ 994,234	\$ 299,137	\$ 8,584,075
-	-	-	-	-	-	-	1,866,144
-	-	-	-	-	-	-	2,806,188
16	294,795	1,301,181	3,501,994	620,897	994,234	299,137	13,256,407
-	-	-	-	-	-	-	1,687,200
-	32,677	24,351	40,217	12,107	22,637	5,326	3,849,451
-	-	-	-	-	-	-	22,831
-	-	-	-	-	-	-	1,610,928
-	-	-	-	-	-	-	1,747,031
-	385,000	1,125,000	1,815,000	-	925,000	240,000	4,490,000
-	41,873	168,991	1,896,215	652,000	129,235	56,450	2,944,764
-0-	459,550	1,318,342	3,751,432	664,107	1,076,872	301,776	16,352,205
16	(164,755)	(17,161)	(249,438)	(43,210)	(82,638)	(2,639)	(3,095,798)
-	127,149	-	98,000	-	-	2,000	282,377
(103,649)	-	(82,500)	-	(15,000)	(26,000)	-	(574,525)
-	-	-	-	-	-	-	2,053,945
(103,649)	127,149	(82,500)	98,000	(15,000)	(26,000)	2,000	1,761,797
(103,633)	(37,606)	(99,661)	(151,438)	(58,210)	(108,638)	(639)	(1,334,001)
103,633	38,432	100,063	152,145	59,136	108,698	788	2,121,836
\$ -0-	\$ 826	\$ 402	\$ 707	\$ 926	\$ 60	\$ 149	\$ 787,835