



Financial Statements
June 30, 2015

Putnam City Independent School District No. 1

Putnam City Independent School District No. 1

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Independent Auditor's Report

To the Board of Education,
Putnam City Independent School District No. 1
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying regulatory financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Putnam City Independent School District No. 1 as of and for the year ended June 30, 2015, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Putnam City Independent School District No. 1's management. Our responsibility is to express opinions on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed by the Oklahoma State Department of Education; 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 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 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.

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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described more fully in Note 1, Putnam City Independent School District No.1 has prepared these financial statements using accounting practices prescribed by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between these regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Putnam City Independent School District No. 1, as of June 30, 2015, or changes in financial position for the year then ended.

Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position on a regulatory basis of the governmental activities, each major fund and the aggregate remaining fund information of the Putnam City Independent School District No. 1, as of June 30, 2015, and the respective changes in financial position on a regulatory basis thereof for the year then ended in conformity with the basis of accounting described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Putnam City Independent School District No. 1's financial statements as a whole. The management's discussion and analysis, the combining non-major fund financial statements, the statement of changes in assets and liabilities – all activity funds, the budgetary comparison schedules – general, building, and child nutrition funds, reconciling schedule for OCAS data, the statement of statutory, fidelity and honesty bonds, the reconciliation of schedule of expenditures of federal awards to OCAS data, and the schedule of accountants' professional liability insurance affidavit information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, and is also not a required part of the financial statements.

The management's discussion and analysis 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. We have applied certain limited procedures to the management's discussion and analysis, 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.

The combining non-major fund financial statements, the statement of changes in assets and liabilities – all activity funds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in

the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements, the statement of changes in assets and liabilities – all activity funds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The budgetary comparison schedules – general, building, and child nutrition funds, the reconciling schedule for OCAS data, the statement of statutory, fidelity and honesty bonds, the reconciliation of schedule of expenditures of federal awards to OCAS data, and the schedule of accountants’ professional liability insurance affidavit have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2015 on our consideration of Putnam City Independent School District No. 1’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 Putnam City Independent School District No. 1’s internal control over financial reporting and compliance.



Oklahoma City, Oklahoma
December 1, 2015

Introduction

The discussion and analysis of Putnam City Schools financial performance provides an overall review of district financial activities for the fiscal year ended June 30, 2015. The intent of this discussion is to convey relevant facts and commentary regarding the financial performance of the organization for the reporting period. A thorough examination of the financial statements and thoughtful reading of the related notes to those statements will aid in evaluating the financial position of the district.

Putnam City Schools prepares financial statements in a format consistent with that established by the Governmental Accounting Standards Board (GASB). The financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma Department of Education and are more fully described in Note 1 to the financial statements. The financial highlights of Fiscal Years 2014 and 2015 and a comparative analysis of financial information from those years is presented to aid the reader in a more meaningful understanding of the district's financial performance for Fiscal Year 2015.

Financial Highlights

Fiscal Year 2015 operations generated significant budget activity for the district's primary operating fund, the General Fund. Current information is presented alongside that of Fiscal Year 2014 to illustrate changes in General Fund balance. Both years are presented on the regulatory basis of accounting.

	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Ending Balance</u>
FY 2014	\$ 14,792,603	\$ 123,526,747	\$ 123,749,976	\$ 14,569,374
FY 2015	\$ 14,569,374	\$ 127,900,653	\$ 130,022,571	\$ 12,447,456

Net Assessed valuation amounts and growth rates are presented below. Prospects for continued growth in local revenues are being monitored.

<u>Applicable Fiscal Year</u>	<u>Net Assessed Valuation</u>	<u>Growth</u>
2012	901,481,941	0.29%
2013	900,862,513	-0.07%
2014	913,247,788	1.37%
2015	935,423,329	2.43%
2016	961,915,222	2.83%

Net Assessed Valuation provides the basis for the calculation of county Ad Valorem (property) taxes that are distributed to the district each year. The benefit of this growth is felt in the Building Fund; however, ad valorem tax revenue is a direct off-set against state aid funding.

Using the Putnam City Schools Audit Report and Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the user can understand Putnam City School District as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities

These statements provide information about the activities of the whole district. The change in net position is important because it identifies whether the financial position of the district has improved or diminished. The cause of this change may be the result of many factors, including, but not limited to, state and federal funding, changes in the property tax base, investment rates of return, bond activity and current legislation affecting school funding or education mandates. In the Statement of Net Position – regulatory basis and the Statement of Activities- regulatory basis, all district activities are considered to be of the governmental type. This includes instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Fund Financial Statements

District operations are reported in governmental funds. These funds focus on cash flows, that is how money flows into and out from those funds and the balances left at the end of the fiscal year. These funds are reported using the regulatory basis of accounting described above. The governmental fund statements provide a detailed view of general government operations and the basic services they provide. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

The fund financial statements presented in the report provide detailed information about major funds. The district uses many funds to account for thousands of financial transactions each year. However, these fund financial statements focus on the most significant funds. By way of dollar volume, the most important of these funds are the General Fund, Debt Service Fund and Building Fund.

General Fund Budgeting Highlights

The district budget is constructed according to Oklahoma law and accounts for transactions on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. Putnam City uses a zero-based budgeting method for approximately 90% of the General Fund budget. A zero-based budget builds each cost center budget based upon specific planned expenditures. The remaining ten- percent is programmed using an incremental method of budgeting. This method uses historical spending levels as a base and reduces or increases the base budget for changes in current year needs. Historically, eighty-five to ninety percent of Putnam City Schools General Fund budget is made up of the salary and benefits of the 2,300 full-time people employed by the district.

Analysis of Financial Statements

Putnam City Independent School District No. 1
Table A
Comparative Schedule of Net Position
For Fiscal years 2014 and 2015
(In millions of dollars)

Assets	<u>FY 2014</u>	<u>FY 2015</u>	<u>Difference</u>
Current and Other Assets	\$ 104.80	\$ 106.39	\$ 1.59
Capital Assets	<u>158.30</u>	<u>167.28</u>	<u>8.98</u>
Total Assets	\$ 263.10	\$ 273.67	\$ 10.57
Liabilities			
Long-Term Debt Outstanding	\$ 77.30	\$ 75.71	\$ (1.59)
Other Liabilities	<u>21.70</u>	<u>23.71</u>	<u>2.01</u>
Total Liabilities	\$ 99.00	\$ 99.42	\$ 0.42
Net Position			
Net Investment in Capital Assets	\$ 108.20	\$ 109.90	\$ 1.70
Restricted	14.03	12.42	(1.61)
Unrestricted	<u>41.87</u>	<u>51.93</u>	<u>10.06</u>
Total net position	<u>\$ 164.10</u>	<u>\$ 174.25</u>	<u>\$ 10.15</u>

Table B
Analysis of Changes in Net Position
(in millions)

Revenues	FY2014	FY2015	Difference
Program Revenues:			
Charges for Services	\$ 7.66	\$ 5.65	\$ (2.01)
Federal and State Grants	20.65	23.91	3.26
General Revenues:			
Property Taxes	57.62	57.73	0.11
Other Taxes	16.74	16.94	0.20
State Entitlement	58.44	61.53	3.09
Other General Revenues	1.33	0.44	(0.89)
Total Revenues	<u>\$ 162.44</u>	<u>\$ 166.20</u>	<u>\$ 3.76</u>
Expenditures			
Program Expenses:			
Instruction	\$ 77.47	\$ 84.27	\$ 6.80
Support Services	56.34	54.65	(1.69)
Non-instruction	13.99	7.42	(6.57)
Interest on Long-term Debt	2.39	1.46	(0.93)
Loss on capital asset disposals	-	0.47	0.47
Depreciation	5.82	7.79	1.97
Total Expenditures	<u>\$ 156.01</u>	<u>\$ 156.06</u>	<u>\$ 0.05</u>
Increase in net position	<u>\$ 6.43</u>	<u>\$ 10.14</u>	<u>\$ 3.71</u>

Net Position

Net Position increased \$10.14 million from Fiscal Year 2014 to 2015. The operating position of the District as expressed in terms of General Fund balance decreased \$2.12 million in Fiscal Year 2015.

Revenues

General Fund revenue increased \$4.2 million, 3.45%, in FY2015 compared to FY2014. The increase was primarily attributable to increases in ad valorem (\$500,000), state aid (\$2.2 million), and flexible benefit allowance (\$860,000) funding. Revenues into the Debt Service Fund (also referred to as Sinking Fund) are received pursuant to ad valorem tax levies calculated to meet the fiscal years' principal and interest payments on bonded indebtedness and were consistent with FY2014.

Expenditures

General Fund expenditures increased by \$6.2 million from FY2014 to FY2015. \$3.2 million of the change was related to increase in staffing and compensation while \$1.3 million was due to utilization of textbook funding carried over from FY2014. Building Fund expenditures decreased from \$8.1 million in FY2014 to \$4.8 million in FY2015, primarily due to FY2014 expenditures related to insurance loss recovery costs and a non-recurring new elementary cost of \$1.2 million. Sinking Fund principal retirements increased \$2.5 million in FY2015 due to scheduled debt payments while interest payments decreased \$935,000 due to decreased debt from FY2014.

Fund Balances

As mentioned above, the General Fund, fund balance decreased \$2.1 million to \$12,447,456. Building Fund's fund balance realized an increase of \$713,381 to \$7,060,824. Sinking Fund's fund balance decreased \$1.0 million in FY2015.

Debt

On March 30, 2010, the District entered into a sublease agreement with the Oklahoma County Finance Authority (the Authority) in which the Authority advanced \$49,820,000 in educational facilities bond, series 2010 or lease revenue bonds which concluded payment in FY2015. On February 12, 2013 Putnam City patrons voted to approve a \$6,000,000 bond issue to be sold in a single release.

Capital Assets

Other capital assets increased with the completed construction of buildings including a new elementary and high school field house.

Current Issues

For Fiscal Year 2015-2016 and beyond, the district will seek to establish the most efficient and effective means to align faculty with an increasing overall student population. Since state aid funding is directly linked to weighted average daily membership and grade level fluctuations are unpredictable at best, the projection of future available state resources is challenging.

Contacting the District's Chief Financial Officer

This financial report is intended to provide our citizens, taxpayers, investors and creditors with a general overview of district finances and to confirm our commitment to accountability for the monies entrusted to our stewardship. Questions about this report or additional financial information should be directed to Shannon Meeks, Chief Financial Officer, Putnam City Schools, 5401 NW 40th Street, Oklahoma City, Oklahoma 73122.

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Statement of Net Position – Regulatory Basis
June 30, 2015

	Governmental Activities
Assets	
Cash and Cash Investments	\$ 106,233,888
Inventories	155,914
Nondepreciated Capital Assets	71,138,151
Depreciated Capital Assets, Net of Depreciation	96,145,129
Total assets	\$ 273,673,082
Liabilities	
Accounts Payable	2,114,180
Salaries and Related Benefits	13,599,964
Warrants Outstanding	3,636,009
Encumbrances Outstanding	4,358,313
Long-Term Obligations	
Due within one year	18,232,024
Due beyond one year	57,475,362
Total liabilities	\$ 99,415,852
Net Position	
Net Investment in Capital Assets	\$ 109,895,944
Restricted for:	
Debt service	904,426
School-based activities	1,970,533
Child nutrition	2,488,490
Buildings	7,060,826
Unrestricted	51,937,011
Total net position	\$ 174,257,230

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Statement of Activities – Regulatory Basis
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 84,273,570	\$ 182,537	\$ 13,662,891	\$ -	\$ (70,428,142)
Support services	54,647,024	2,358,657	2,662,943	-	(49,625,424)
Non-instruction services	7,415,975	3,106,423	7,581,814	-	3,272,262
Interest on long-term debt	1,456,050	-	-	-	(1,456,050)
Loss on disposition of capital assets	479,873	-	-	-	(479,873)
Depreciation - unallocated	7,787,433	-	-	-	(7,787,433)
Total school district	\$ 156,059,925	\$ 5,647,617	\$ 23,907,648	\$ -	(126,504,660)

General Revenues:

Taxes

Property taxes, levied for general purposes	33,884,900
Property taxes, levied for building purposes	4,840,636
Property taxes, levied for debt service	19,008,600
General taxes	16,943,123
State aid - formula grants	61,529,630
Investment earnings	434,173

Total general revenues

136,641,062

Change in net position

10,136,402

Net Position - beginning

164,120,828

Net Position - ending

\$ 174,257,230

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Balance Sheet – Governmental Funds – Regulatory Basis
June 30, 2015

	General Fund	Debt Service Fund	2015 Bond Fund	2013B Bond Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Investments	\$ 34,464,559	\$ 19,053,289	17,608,124	\$ 9,563,997	\$ 25,543,919	\$ 106,233,888
Total Assets	\$ 34,464,559	\$ 19,053,289	\$ 17,608,124	\$ 9,563,997	\$ 25,543,919	\$ 106,233,888
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$ 2,114,180	\$ -	\$ -	\$ -	\$ -	\$ 2,114,180
Salaries and Related Benefits	13,599,964	-	-	-	-	13,599,964
Warrants Outstanding	2,907,030	-	515,918	-	213,061	3,636,009
Encumbrances Outstanding	3,395,929	-	-	-	962,384	4,358,313
Principal and Interest Accruals	-	18,148,863	-	-	-	18,148,863
Total Liabilities	22,017,103	18,148,863	515,918	-	1,175,445	41,857,329
Fund Balances:						
Restricted	-	904,426	17,092,206	9,563,997	22,395,642	49,956,271
Committed	-	-	-	-	1,970,533	1,970,533
Assigned	-	-	-	-	2,299	2,299
Unassigned	12,447,456	-	-	-	-	12,447,456
Fund Balances, End of Year	12,447,456	904,426	17,092,206	9,563,997	24,368,474	64,376,559
Total Liabilities and Fund Balances	\$ 34,464,559	\$ 19,053,289	\$ 17,608,124	\$ 9,563,997	\$ 25,543,919	
<p>Amounts reported for governmental activities in the statement of net position are different because: Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$254,168,038 and the accumulated depreciation is \$86,884,758.</p>						
						167,283,280
<p>Sinking Fund Principal and Interest Accruals are part of net position at the district-wide level.</p>						
						18,148,863
<p>Federal commodities are distributed to the district to be used by the child nutrition program. Governmental Funds are concerned with the flow of financial resources and, therefore, the receipt and usage of commodities are not reported in the Governmental Funds.</p>						
						155,914
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:</p>						
					\$ 70,250,000	
					5,457,386	(75,707,386)
Total Net Position - Governmental Activities						\$ 174,257,230

Putnam City Independent School District No. 1

Oklahoma County, Oklahoma

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds – Regulatory Basis

For the Year Ended June 30, 2015

	General Fund	Debt Service Fund	2015 Bond Fund	2013B Bond Fund	Other Governmental Funds	Totals Governmental Funds
Revenues:						
Property Taxes	\$ 33,884,900	\$ 19,008,600	\$ -	\$ -	\$ 7,196,186	\$ 60,089,686
Interest	198,485	-	6,039	-	119,830	324,354
County Revenue	4,942,980	-	-	-	-	4,942,980
State Revenue	76,079,557	678	-	-	145,025	76,225,260
Federal Revenue	10,135,380	-	-	-	7,111,655	17,247,035
Other	1,098,495	17,000	-	-	4,840,499	5,955,994
Total Revenues	126,339,797	19,026,278	6,039	-	19,413,195	164,785,309
Expenditures						
Current						
Instruction	82,596,742	-	-	-	1,148,598	83,745,340
Support Services	46,932,617	-	626,230	-	8,146,325	55,705,172
Non-Instruction Services	374,276	-	-	-	9,334,337	9,708,613
Capital Outlay	-	-	287,603	5,459,567	8,860,122	14,607,292
Other Outlays	116,936	-	-	-	61,603	178,539
Debt Service						
Interest Paid	-	1,456,050	-	-	-	1,456,050
Principal Retirement	-	19,755,000	-	-	-	19,755,000
Total Expenditures	130,020,571	21,211,050	913,833	5,459,567	27,550,985	185,156,006
Excess (Deficiency) of Revenues over (under) Expenditures	(3,680,774)	(2,184,772)	(907,794)	(5,459,567)	(8,137,790)	(20,370,697)
Adjustments to Prior year Encumbrances	968,499	-	-	-	826,634	1,795,133
Other Financing Sources (Uses)						
Transfers In	592,357	-	-	-	270,561	862,918
Transfers Out	(2,000)	-	-	-	(860,918)	(862,918)
Bond Proceeds	-	-	18,000,000	-	-	18,000,000
Accrued Principal and Interest	-	1,051,256	-	-	-	1,051,256
Premium on Bonds	-	87,930	-	-	-	87,930
Total Other Financing Sources, net	590,357	1,139,186	18,000,000	-	(590,357)	19,139,186
Net Change in Fund Balance	(2,121,918)	(1,045,586)	17,092,206	(5,459,567)	(7,901,513)	563,622
Beginning Fund Balance	14,569,374	1,950,012	-	15,023,564	32,269,987	63,812,937
Ending Fund Balances	\$ 12,447,456	\$ 904,426	\$ 17,092,206	\$ 9,563,997	\$ 24,368,474	\$ 64,376,559

Putnam City Independent School District No. 1

Oklahoma County, Oklahoma

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to Statement of Activities – Regulatory Basis

For the Year Ended June 30, 2015

Total net changes in fund balances - governmental funds \$ 563,622

The change in net position reported in the statement of activities is different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation during the period.

Depreciation Expense	\$ (7,787,433)	
Loss on disposals	(479,873)	
Capital Outlays	<u>17,216,612</u>	8,949,306

In the statement of activities, compensated absences are measured by the amounts earned during the year, however, for governmental funds expenditures for these items are measured in the amount of financial resources used (essentially the amounts actually paid). This year, vacation and sick leave used exceeded amounts earned. (164,493)

Bond proceeds are reported as financing sources in 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. Debt repaid this year exceeded issues.

Debt Issued	\$ (18,000,000)	
Debt Repayments	<u>19,755,000</u>	1,755,000

The usage of USDA commodities are not reported as expenditures in the governmental funds but are reflected in the accrual-based government-wide financial statements. 84,223

Resources provided in the debt service fund in accordance with Oklahoma Statute 62-431 are not a liability at the district-wide level but are considered a component of restricted net position. (1,051,256)

Change in net position of governmental activities \$ 10,136,402

Note 1 - Summary of Significant Accounting Policies

The Putnam City Independent School District No. 1 (the District) is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on the State of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70 of the Oklahoma Statutes.

The District prepares its financial statements in a presentation format that is, in substance, the format established by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*.

GASB Statement No. 34 established a financial reporting model for state and local governments that included the addition of management's discussion and analysis, district-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes.

The Reporting Entity - The District is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The governing body of the District is the Board of Education composed of elected members. The appointed superintendent is the executive officer of the District.

Basic Financial Statements – Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District does not have any activities classified as business-type activities.

In the government-wide Statement of Net Position, the District's governmental activities are reported on the cash receipts and disbursements basis modified as required by the regulations of the Oklahoma Department of Education to include inventory, capital assets and long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

In the government-wide Statement of Activities, the District's governmental activities are reported on the cash receipts and disbursements basis modified as required by the regulations of the Oklahoma Department of Education and reports both the gross and net cost of each of the District's programs and functions. The functions are also supported by general government 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. Charges for services include charges and fees to students or customers who purchase, use or directly benefit from the goods, services or other privileges provided by a given function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

All interfund transactions are eliminated in the district-wide statements.

The net costs are normally covered by general revenue (property taxes, State and Federal aid, other taxes etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements.

Basic Financial Statements – Fund Financial Statements

Governmental fund financial statements are reported using the cash receipts and disbursements basis of accounting modified as required by the Oklahoma Department of Education to include investments and inventories on hand, encumbrances issued, and warrants outstanding. The fund financial statements provide reports on the financial condition and results of operations of the governmental fund category on a basis required by the cash basis and budget laws of the State of Oklahoma.

The District reports the following major governmental funds:

General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

2015 Bond Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities related to the 2015 bond issue.

2013B Bond Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities related to the 2013B bond issue.

Additionally, the District reports the following fund types that are included in other governmental funds:

Governmental Funds:

1. Special Revenue Funds – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund.
2. Capital Projects Funds – The proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

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

As to the basis of accounting, the basic financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma Department of Education as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved. The excess of encumbrances issued in the prior year over amounts subsequently paid is shown as an adjustment of prior year encumbrances in the fund financial statements and as a reduction of program expenses in the government-wide statements.
- Warrants/Checks payable are recorded as liabilities when issued.
- Investments and inventories are recorded as assets when purchased and reduced when used.
- Capital assets reported in the government-wide statements are recorded when acquired and depreciated over their useful lives. Capital assets are not recorded at the fund level.
- Long-term debt in the government-wide statements is recorded when incurred. Long-term debt is not recorded at the fund level.
- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred at the district wide level but not at the fund level.
- Financial resources provided in the debt service fund in accordance with Oklahoma Statute 62-431 are reported as fund liabilities. In the government-wide statements, these resources are shown as restricted net position.

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which would have required the government-wide financial statements to be presented on the accrual basis of accounting. The fund financial statements were to be presented on the modified accrual basis of accounting.

Inventories: Inventories consist of expendable and non-commodity food supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories are accounted for using the consumption method where materials and supplies are recorded as an asset when purchased.

On the government-wide financial statements, United States Department of Agriculture (USDA) food commodities are recorded as revenue when received at fair value at the date of receipt and as an expense when used. USDA food commodities are not reported in the governmental funds.

Capital Assets: Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

School Buildings	50 years
Site Improvements	20 years
Portable Classrooms	25 years
Kitchen Equipment	15 years
Business Machines and Computers	5 years
Licensed Vehicles	8 years
Audio Visual Equipment, Musical Instruments	10 years

Compensated Absences - Support personnel are eligible for paid sick leave benefits after 90 days. Sick leave is accrued at different rates depending on number of contract days worked. Upon termination, resignation, retirement or death, unused sick leave is reimbursable. The rate of reimbursement for support personnel ranges from \$10.25 to \$35.00 per day for sick leave depending on number of years of employment.

Certified personnel are provided 10 days of sick leave and 3 days of personal business leave during each year. Unused personal business leave converts to cumulative sick leave at year end.

Support personnel, who contract for at least twelve months, accrue vacation by month after the completion of a full year. The rate of accrual is based on the number of contract days an employee works. Unused vacation time may be carried to the next year. Reimbursement for unused vacation is at the employee's current rate of pay.

Budgets and Budgetary Accounting - The District is required by state law to prepare an annual budget. No later than October 1, each board of education shall prepare a financial statement and estimate of needs to be filed with the applicable county clerk and the State Department of Education. Once the county excise board has approved the estimate of needs, the board shall adopt a final budget within 45 days or the second regularly scheduled board meeting. No later than 15 days prior to adoption of a final budget, the board must conduct a public hearing for purposes of taking public comments. The final budget may be revised upon approval of the Board of Education in open meeting.

A budget is legally adopted by the Board of Education for the General Fund, Building Fund, Child Nutrition Fund, and the Debt Service Fund that includes revenues and expenditures.

Budgets generally assume the expenditure of all available resources. Therefore, when the legal budget is prepared, it is assumed these funds will not have a carryover balance to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year.

Deposits - The District considers all cash on hand, demand deposits, money market checking and certificates of deposit, held at an individual bank which are subject to early withdrawal penalties no matter what the maturity period, to be cash. All short-term cash surpluses are maintained in a cash pool, the earnings from which are allocated to each fund based on month-end deposit balances. State statutes require collateral for deposits in excess of insured amounts. The collateral's market value must exceed the insured deposit.

Property Tax Revenues - The District is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 1. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

State Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts.

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the programs for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

Interfund Transfers - During the course of normal operations, the District has transactions between funds including expenditures and transfers of resources to provide services, purchase assets and service debt. Transactions that are normal and recurring between funds are recorded as transfers.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Position and Fund Balance - District-Wide Financial Statements – When the District incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because they were not used.

Net Position on the Statement of Net Position includes the following:

Net Investment in Capital Assets – The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted for Debt Service – The component of net position that reports the amount of funds restricted for payment of principal and interest on debt. This amount is restricted by enabling legislation.

Restricted for Buildings – The component of net position that reports the excess of property taxes and other revenue collected in excess of expenses for operation of the District's buildings. This amount is restricted by enabling legislation.

Restricted for Child Nutrition – The component of net position restricted for use by the child nutrition fund. This amount is restricted by regulations of the Oklahoma State Department of Education.

Restricted for School-based Activities– The component of net position that reports the assets restricted for use by student organizations and extracurricular activities. This amount is restricted by regulations of the Oklahoma State Department of Education.

Unrestricted – The difference between assets and liabilities that is not reported as restricted for any particular purpose.

Governmental Fund Financial Statements – The District adopted Governmental Accounting Standards Board Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District had no nonspendable amounts at June 30, 2015.

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2015

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified school construction expenditures as being restricted because their use is restricted by state statute or legislation regarding use of expenditures. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants. Child Nutrition resources are restricted for food services. Other purposes are restricted through federal and state regulations.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District has classified school program activities as being committed because their use is imposed by the Board of Education regarding use of expenditures.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to management through the budgetary process.

Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification would also include any negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. The District has not established a formal stabilization arrangement regarding minimum funding requirements.

As of June 30, 2015, fund balances are comprised of the following:

	General Fund	Debt Service Fund	2015 Bond Fund	2013B Bond Fund	Other Governmental Funds	Total Governmental Funds
Fund balances:						
Restricted for:						
School construction	\$ -	\$ -	\$ 17,092,206	\$ 9,563,997	\$ 19,923,490	\$ 46,579,693
Debt service	-	904,426	-	-	-	904,426
Food services	-	-	-	-	2,332,576	2,332,576
Gifts from donors	-	-	-	-	139,576	139,576
Total Restricted	<u>-</u>	<u>904,426</u>	<u>17,092,206</u>	<u>9,563,997</u>	<u>22,395,642</u>	<u>49,956,271</u>
Committed to:						
School program activities	-	-	-	-	1,970,533	1,970,533
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,970,533</u>	<u>1,970,533</u>
Assigned to:						
Other	-	-	-	-	2,299	2,299
Total Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,299</u>	<u>2,299</u>
Unassigned	<u>12,447,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,447,456</u>
Total fund balances	<u>\$ 12,447,456</u>	<u>\$ 904,426</u>	<u>\$ 17,092,206</u>	<u>\$ 9,563,997</u>	<u>\$ 24,368,474</u>	<u>\$ 64,376,559</u>

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Note 2 - Deposits

At June 30, 2015 the cash balance includes cash pool amounts and certificates of deposits. The bank balance of deposits at June 30, 2015 was \$104,027,728. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require collateral for amounts in excess of federally insured amounts. The deposit policy for custodial risk requires compliance with the provisions of state law. The bank balances were completely covered by federal depository insurance and by collateral held by the District's third party agent in the District's name.

Note 3 - Long-term Liabilities

The long-term liability balances and activity for the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Bonds Payable	\$ 72,005,000	\$ 18,000,000	\$ (19,755,000)	\$ 70,250,000	\$ 16,835,000
Compensated Absences	5,292,893	1,636,870	(1,472,377)	5,457,386	1,397,024
Total governmental activity long-term liabilities	<u>\$ 77,297,893</u>	<u>\$ 19,636,870</u>	<u>\$ (21,227,377)</u>	<u>\$ 75,707,386</u>	<u>\$ 18,232,024</u>

Payments on bonds are made by the debt service fund with property taxes. Compensated absences and the obligation under capital leases are generally liquidated by the general fund. Bonds payable includes general obligation bond issues as well as lease revenue activity.

Bonds payable at June 30, 2015 are comprised of the following individual general obligation bond issues:

Issue Amount	Purpose	Date	Annual Payment	Final	Maturity Date	Interest	Total
\$15,385,000	Building	1/1/2011	\$3,845,000	\$3,850,000	1/1/2016	2.5-3	\$3,850,000
25,835,000	Building	1/1/2012	6,455,000	6,460,000	1/1/2017	3	12,920,000
16,295,000	Building	1/1/2013	4,070,000	4,075,000	1/1/2019	1-1.5	12,225,000
6,000,000	Building	6/1/2013	1,500,000	1,500,000	6/1/2019	2	4,500,000
18,755,000	Building	1/1/2014	5,435,000	5,435,000	1/1/2019	2-3	18,755,000
18,000,000	Building	1/1/2015	4,500,000	4,500,000	2/1/2020	2	18,000,000
							<u>\$70,250,000</u>

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue. General obligation bonded debt of the District is limited by state law to 10% of the assessed valuation of the District. The legal debt limit at June 30, 2015 is approximately \$96,191,000.

The annual requirements to amortize all bond debt outstanding as of June 30, 2015 including interest payments are as follows:

Period Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 18,335,000	\$ 1,654,250	\$ 19,989,250
2017	21,970,000	1,225,200	23,195,200
2018	15,510,000	687,225	16,197,225
2019	9,935,000	343,050	10,278,050
2020	4,500,000	90,000	4,590,000
	\$ 70,250,000	\$ 3,999,725	\$ 74,249,725

Proceeds of general obligation bond issues are recorded in the Capital Projects Fund and at least 85% of the proceeds are restricted to the use for which they were approved in the bond elections.

Note 4 - Employee Retirement System

Plan Description - The District contributes to the state-administered Oklahoma Teachers' Retirement System ("the System"), a cost-sharing, multiple-employer public employee retirement system (PERS). The System is administered by a board of trustees. PERS provides retirement, disability and death benefits to plan members and beneficiaries. Oklahoma State Statute 70, Article 17 assigns the authority to establish and amend benefit provisions to the PERS Board of Trustees. The System issues a publicly available report that includes financial statements and required supplementary information for PERS. That report may be obtained by contacting the Oklahoma Teachers' Retirement System.

Funding Policy - Under the System, contributions are made by the District, the State of Oklahoma, and the participating employees. Participation is required for all teachers and other certified employees and is optional for all other regular employees of public educational institutions who work at least 20 hours per week.

The contribution rates for the District and its employees, which are not actuarially determined, are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The District was required by statute to contribute 9.5% from July 01, 2014 through June 30, 2015 of applicable compensation for the year ended June 30, 2015. Plan members are required to contribute 7% of their annual covered salary. The District pays full-time employees' contribution as allowed by statute. The District's contributions to PERS (net of retirement paid by the State of Oklahoma) for the years ending June 30, 2015, 2014, and 2013 were \$11,633,970, \$11,217,727, and \$11,310,392, respectively, equal to the required contributions for each year. State of Oklahoma contributions to the System on behalf of the District's employees for the year ended June 30, 2015 were \$779,646.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employers who participate in a pension plan, such as the System, and who prepare financial statements under Generally Accepted Accounting Principles. Since the District prepares its financial statements under a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma Department of Education, the net position liability amount is not required to be presented in these financial statements and the notes to the financial statements. The amount of the net pension liability for the District at June 30, 2014 (the latest information available) was \$88.6 million.

Note 5 - Contingencies and Commitments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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 expects such amounts, if any, to be immaterial.

The District is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the District believes the resolution of these matters will not have a material adverse effect on the financial condition of the District. Should a judgment be awarded against the District, it would be levied through the District's sinking fund over a three-year period pursuant to state law.

The District has designated approximately \$33.3 million dollars as of June 30, 2015 for outstanding construction projects.

During the year ended June 30, 2015, the District did not reduce insurance coverage from coverage levels in place as of June 30, 2014. No settlements have exceeded coverage levels in place during 2015.

Note 6 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2015

Note 7 - Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets not being depreciated:				
Land	\$ 4,909,456	\$ -	\$ -	\$ 4,909,456
Construction in progress	58,166,198	15,372,461	(7,309,964)	66,228,695
Total capital assets not being depreciated	63,075,654	15,372,461	(7,309,964)	71,138,151
Capital Assets being depreciated:				
Buildings	157,365,672	7,309,964	-	164,675,636
Equipment and Vehicles	18,018,428	1,844,151	(1,508,328)	18,354,251
Total capital assets being depreciated	175,384,100	9,154,115	(1,508,328)	183,029,887
Less accumulated depreciation for:				
Buildings	(69,009,540)	(5,910,043)	-	(74,919,583)
Equipment and Vehicles	(11,116,240)	(1,877,390)	1,028,455	(11,965,175)
Total accumulated depreciation	(80,125,780)	(7,787,433)	1,028,455	(86,884,758)
Total capital assets being depreciated, net	95,258,320	1,366,682	(479,873)	96,145,129
Capital assets, net	\$ 158,333,974	\$ 16,739,143	\$ (7,789,837)	\$ 167,283,280

Note 8 - Schedule of Transfers

Transfer From	Transfer To	Amount	Nature of Transfer
Child Nutrition Fund	General Fund	\$ 185,000	Operating Transfer
Child Nutrition Fund	Child Nutrition Fund	7,150	Intrafund Transfer
General Fund	General Fund	2,000	Intrafund Transfer
Student Activity Fund	Student Activity Fund	263,411	Intrafund Transfer
Student Activity Fund	General Fund	405,357	Operating Transfer
	Total Transfers between Funds	\$ 862,918	

Transfers are used for (1) reimbursement of funds collected by one fund that are accounted for in another fund (2) return of funds in excess of budgetary requirements.



Other Supplementary Information
June 30, 2015

Putnam City Independent School District No. 1

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Budgetary Comparison Schedule – General Fund (unaudited)
For the Year Ended June 30, 2015

	Budgeted Amounts Original/Final	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	\$ 14,569,374	\$ 14,569,374	\$ -
Resources (inflows)			
Property Taxes	33,494,090	33,884,900	390,810
Interest	109,000	198,485	89,485
County Revenue	4,753,000	4,942,980	189,980
State Revenue	73,433,056	76,079,557	2,646,501
Federal Revenue	12,206,798	10,135,380	(2,071,418)
Other	2,817,776	2,659,351	(158,425)
	<u>126,813,720</u>	<u>127,900,653</u>	<u>1,086,933</u>
Amounts Available for Appropriation	<u>141,383,094</u>	<u>142,470,027</u>	<u>1,086,933</u>
Charges to Appropriations (outflows)			
Instruction	81,164,656	82,596,742	(1,432,086)
Support Services	49,421,979	46,932,617	2,489,362
Non-Instruction Services	336,283	374,276	(37,993)
Other Outlays	230,633	118,936	111,697
	<u>131,153,551</u>	<u>130,022,571</u>	<u>1,130,980</u>
Total Charges to Appropriations	<u>131,153,551</u>	<u>130,022,571</u>	<u>1,130,980</u>
Budgetary Fund Balance, June 30	<u>\$ 10,229,543</u>	<u>\$ 12,447,456</u>	<u>\$ 2,217,913</u>

Putnam City Independent School District No. 1

Oklahoma County, Oklahoma
Notes to Other Supplementary Information

June 30, 2015

Budgeting – No later than October 1 of each year, the board of education of each school district shall file with the State Board of Education an itemized expenditure budget and request for state appropriated funds for the ensuing fiscal year and an estimate of revenues from all sources to be received by the district during the ensuing fiscal year. Once the county excise board has approved the estimate of needs, the board shall adopt a final budget within 45 days or the second regularly scheduled board meeting. No later than 15 days prior to adoption of a final budget, the board must conduct a public hearing for purposes of taking public comments. The final budget may be revised upon approval of the Board of Education in open meeting.

Budgets generally assume the expenditure of all available resources. Therefore, when the legal budget is prepared, it is assumed these funds will not have a carryover balance to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year.

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Combining Balance Sheet – Other Governmental Funds – Regulatory Basis
June 30, 2015

	<u>Child Nutrition</u>	<u>Building Fund</u>	<u>Gifts and Endowments</u>	<u>Student Activity</u>	<u>Co-Op</u>	<u>Other Capital Project Funds</u>	<u>Total Other Governmental Funds</u>
Assets							
Cash and Cash Investments	\$ 2,681,787	\$ 7,688,138	\$ 140,400	\$ 1,970,533	7,964	\$ 13,055,097	\$ 25,543,919
Total Assets	<u>\$ 2,681,787</u>	<u>\$ 7,688,138</u>	<u>\$ 140,400</u>	<u>\$ 1,970,533</u>	<u>\$ 7,964</u>	<u>\$ 13,055,097</u>	<u>\$ 25,543,919</u>
Liabilities and Fund Balances							
Liabilities							
Warrants Outstanding	\$ -	\$ 20,124	\$ 239	\$ -	\$ 265	\$ 192,433	\$ 213,061
Encumbrances Outstanding	<u>349,211</u>	<u>607,188</u>	<u>585</u>	<u>-</u>	<u>5,400</u>	<u>-</u>	<u>962,384</u>
Total Liabilities	<u>349,211</u>	<u>627,312</u>	<u>824</u>	<u>-</u>	<u>5,665</u>	<u>192,433</u>	<u>1,175,445</u>
Fund Balances:							
Restricted	2,332,576	\$ 7,060,826	139,576	-	-	12,862,664	22,395,642
Committed	-	-	-	1,970,533	-	-	1,970,533
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,299</u>	<u>-</u>	<u>2,299</u>
Fund Balances, End of Year	<u>2,332,576</u>	<u>7,060,826</u>	<u>139,576</u>	<u>1,970,533</u>	<u>2,299</u>	<u>12,862,664</u>	<u>24,368,474</u>
Total Liabilities and Fund Balances	<u>\$ 2,681,787</u>	<u>\$ 7,688,138</u>	<u>\$ 140,400</u>	<u>\$ 1,970,533</u>	<u>\$ 7,964</u>	<u>\$ 13,055,097</u>	<u>\$ 25,543,919</u>

Putnam City Independent School District No. 1

Oklahoma County, Oklahoma

Combining Statement of Revenues, Expenditures and Fund Balance – Other Governmental Funds – Regulatory Basis

For the Year Ended June 30, 2015

	Child Nutrition	Building Fund	Gifts and Endowments	Student Activity	Co-Op	Other Capital Project Funds	Other Governmental Funds
Revenues							
Property Taxes	\$ -	4,840,636	\$ -	\$ -	\$ -	\$ 2,355,550	\$ 7,196,186
Interest	596	22,877	17	3,875	-	92,465	119,830
State Revenue	144,852	173	-	-	-	-	145,025
Federal Revenue	6,893,521	-	-	-	218,134	-	7,111,655
Other	1,321,846	75,330	89,706	3,353,617	-	-	4,840,499
Total Revenues	8,360,815	4,939,016	89,723	3,357,492	218,134	2,448,015	19,413,195
Expenditures							
Current							
Instruction	-	50,000	5,836	813,067	-	279,695	1,148,598
Support Services	-	3,323,428	9,337	1,087,222	38,752	3,687,586	8,146,325
Non-Instruction Services	8,246,444	-	25,200	1,062,693	-	-	9,334,337
Capital Outlays	-	1,462,571	-	-	-	7,397,551	8,860,122
Other Outlays	2,719	6,658	-	2,783	-	49,443	61,603
Total Expenditures	8,249,163	4,842,657	40,373	2,965,765	38,752	11,414,275	27,550,985
Excess (Deficiency) of Revenues over (under) Expenditures	111,652	96,359	49,350	391,727	179,382	(8,966,260)	(8,137,790)
Adjustments to Prior year Encumbrances	200,745	617,022	125	-	8,742	-	826,634
Other Financing Sources (Uses)							
Transfers In	7,150	-	-	263,411	-	-	270,561
Transfers Out	(192,150)	-	-	(668,768)	-	-	(860,918)
Total Other Financing Sources (Uses)	(185,000)	-	-	(405,357)	-	-	(590,357)
Net Change in Fund Balances	127,397	713,381	49,475	(13,630)	188,124	(8,966,260)	(7,901,513)
Beginning Fund Balances	2,205,179	6,347,445	90,101	1,984,163	(185,825)	21,828,924	32,269,987
Ending Fund Balances	\$ 2,332,576	\$ 7,060,826	\$ 139,576	\$ 1,970,533	\$ 2,299	\$ 12,862,664	\$ 24,368,474

Putnam City Independent School District No. 1
 Oklahoma County, Oklahoma
 Combining Balance Sheet – Other Capital Project Funds – Regulatory Basis
 June 30, 2015

	<u>MAPS</u>	<u>2007A Bond</u>	<u>2008A Bond</u>	<u>2008B Bond</u>	<u>2009A Bond</u>	<u>2009C Bond</u>	<u>2006A Bond</u>
Assets							
Cash and Cash Investments	\$ 2,241,626	\$ 1,885,253	\$ 1,549,984	\$ 20,411	\$ 858,006	\$ 1,939,540	\$ 2,056,848
Total Assets	<u>\$ 2,241,626</u>	<u>\$ 1,885,253</u>	<u>\$ 1,549,984</u>	<u>\$ 20,411</u>	<u>\$ 858,006</u>	<u>\$ 1,939,540</u>	<u>\$ 2,056,848</u>
Liabilities and Fund Balances							
Liabilities							
Warrants Outstanding	\$ -	161,519	2,137	\$ -	\$ -	\$ -	\$ 25,611
Total Liabilities	<u>-</u>	<u>161,519</u>	<u>2,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,611</u>
Fund Balances:							
Restricted	<u>2,241,626</u>	<u>1,723,734</u>	<u>1,547,847</u>	<u>20,411</u>	<u>858,006</u>	<u>1,939,540</u>	<u>2,031,237</u>
Fund Balances, End of Year	<u>2,241,626</u>	<u>1,723,734</u>	<u>1,547,847</u>	<u>20,411</u>	<u>858,006</u>	<u>1,939,540</u>	<u>2,031,237</u>
Total Liabilities and Fund Balances	<u>\$ 2,241,626</u>	<u>\$ 1,885,253</u>	<u>\$ 1,549,984</u>	<u>\$ 20,411</u>	<u>\$ 858,006</u>	<u>\$ 1,939,540</u>	<u>\$ 2,056,848</u>

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Combining Balance Sheet – Other Capital Project Funds – Regulatory Basis
June 30, 2015

	<u>2006B Bond</u>	<u>2010A Bond</u>	<u>2010B Bond</u>	<u>2011A Bond</u>	<u>2014 Bond</u>	<u>Total Other Capital Project Funds</u>
Assets						
Cash and Cash Investments	\$ 713,445	\$ 1,292,439	\$ 115,719	\$ 310,880	\$ 70,946	\$ 13,055,097
Total Assets	<u>\$ 713,445</u>	<u>\$ 1,292,439</u>	<u>\$ 115,719</u>	<u>\$ 310,880</u>	<u>\$ 70,946</u>	<u>\$ 13,055,097</u>
Liabilities and Fund Balances						
Liabilities						
Warrants Outstanding	\$ -	\$ 3,166	\$ -	\$ -	\$ -	\$ 192,433
Total Liabilities	<u>-</u>	<u>3,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,433</u>
Fund Balances:						
Restricted	<u>713,445</u>	<u>1,289,273</u>	<u>115,719</u>	<u>310,880</u>	<u>70,946</u>	<u>12,862,664</u>
Fund Balances, End of Year	<u>713,445</u>	<u>1,289,273</u>	<u>115,719</u>	<u>310,880</u>	<u>70,946</u>	<u>12,862,664</u>
Total Liabilities and Fund Balances	<u>\$ 713,445</u>	<u>\$ 1,292,439</u>	<u>\$ 115,719</u>	<u>\$ 310,880</u>	<u>\$ 70,946</u>	<u>\$ 13,055,097</u>

Putnam City Independent School District No. 1

Oklahoma County, Oklahoma

Combining Statement of Revenues, Expenditures and Fund Balance – Other Capital Projects Funds – Regulatory Basis

For the Year Ended June 30, 2015

	MAPS	2007A Bond	2008A Bond	2008B Bond	2009A Bond	2009B Bond	2009C Bond	2006A Bond
Revenues								
Property Taxes	2,355,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	376	9,921	3,536	16	1,333	-	9,734	12,961
Other	-	-	-	-	-	-	-	-
Total Revenues	<u>2,355,926</u>	<u>9,921</u>	<u>3,536</u>	<u>16</u>	<u>1,333</u>	<u>-</u>	<u>9,734</u>	<u>12,961</u>
Expenditures								
Current								
Instruction	-	-	-	-	-	-	576	278,907
Support Services	159,887	730,270	2,237	191	-	1,056	461,313	1,223,653
Capital Outlays	742,589	1,160,991	400,376	107,786	37,436	161,672	2,053,612	2,537,818
Other Outlays	49,443	-	-	-	-	-	-	-
Total Expenditures	<u>951,919</u>	<u>1,891,261</u>	<u>402,613</u>	<u>107,977</u>	<u>37,436</u>	<u>162,728</u>	<u>2,515,501</u>	<u>4,040,378</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>1,404,007</u>	<u>(1,881,340)</u>	<u>(399,077)</u>	<u>(107,961)</u>	<u>(36,103)</u>	<u>(162,728)</u>	<u>(2,505,767)</u>	<u>(4,027,417)</u>
Net Change in Fund Balances	1,404,007	(1,881,340)	(399,077)	(107,961)	(36,103)	(162,728)	(2,505,767)	(4,027,417)
Beginning Fund Balances	<u>837,619</u>	<u>3,605,074</u>	<u>1,946,924</u>	<u>128,372</u>	<u>894,109</u>	<u>162,728</u>	<u>4,445,307</u>	<u>6,058,654</u>
Ending Fund Balances	<u>\$ 2,241,626</u>	<u>\$ 1,723,734</u>	<u>\$ 1,547,847</u>	<u>\$ 20,411</u>	<u>\$ 858,006</u>	<u>\$ -</u>	<u>\$ 1,939,540</u>	<u>\$ 2,031,237</u>

Putnam City Independent School District No. 1

Oklahoma County, Oklahoma

Combining Statement of Revenues, Expenditures and Fund Balance – Other Capital Projects Funds – Regulatory Basis

For the Year Ended June 30, 2015

	2006B Bond	2010A Bond	2010B Bond	2011A Bond	2011B Bond	2012 Bond	2013A Bond	2014 Bond	Total Other Capital Project Funds
Revenues									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,355,550
Interest	4,322	4,330	144	504	-	-	-	45,288	92,465
Total Revenues	4,322	4,330	144	504	-	-	-	45,288	2,448,015
Expenditures									
Current									
Instruction	-	-	-	212	-	-	-	-	279,695
Support Services	905,082	45,369	151,896	6,632	-	-	-	-	3,687,586
Capital Outlays	-	7,160	48,595	130,793	2,768	3,768	2,187	-	7,397,551
Other Outlays	-	-	-	-	-	-	-	-	49,443
Total Expenditures	905,082	52,529	200,491	137,637	2,768	3,768	2,187	-	11,414,275
Excess (Deficiency) of Revenues over (under) Expenditures	(900,760)	(48,199)	(200,347)	(137,133)	(2,768)	(3,768)	(2,187)	45,288	(8,966,260)
Net Change in Fund Balances	(900,760)	(48,199)	(200,347)	(137,133)	(2,768)	(3,768)	(2,187)	45,288	(8,966,260)
Beginning Fund Balances	1,614,205	1,337,472	316,066	448,013	2,768	3,768	2,187	25,658	21,828,924
Ending Fund Balances	\$ 713,445	\$ 1,289,273	\$ 115,719	\$ 310,880	\$ -	\$ -	\$ -	\$ 70,946	\$ 12,862,664

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Budgetary Comparison Schedules – Building and Child Nutrition Fund (unaudited)
For the Year Ended June 30, 2015

	Building Fund			Child Nutrition Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues						
Local Revenue	\$ 4,855,080	\$ 4,855,080	\$ 4,840,636	\$ 1,727,967	\$ 1,727,967	\$ 1,322,442
State Revenue	-	-	173	-	-	144,852
Federal Revenue	140	140	-	6,821,099	6,821,099	6,893,521
Other	-	-	98,207	142,047	142,047	-
Total Revenues	4,855,220	4,855,220	4,939,016	8,691,113	8,691,113	8,360,815
Expenditures						
1000 Instruction	50,966	50,966	50,000	-	-	-
2000 Support Services	2,140,572	2,140,572	3,323,428	-	-	-
3000 Non-Instruction Services	-	-	-	8,271,185	8,271,185	8,246,444
4000 Capital Outlays	2,905,062	2,905,062	1,462,571	-	-	-
5000 Other Outlays	-	-	6,658	168,800	168,800	2,719
Total Expenditures	5,096,600	5,096,600	4,842,657	8,439,985	8,439,985	8,249,163
Excess (Deficiency) of Revenues over Expenditures	(241,380)	(241,380)	96,359	251,128	251,128	111,652
Adjustments to Prior year Encumbrances	646,412	646,412	617,022	200,745	200,745	200,745
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	7,150
Transfers Out	-	-	-	-	-	(192,150)
Total Other Financing Sources (Uses)	-	-	-	-	-	(185,000)
Net Change in Fund Balances	405,032	405,032	713,381	451,873	451,873	127,397
Beginning Fund Balances	6,347,444	6,347,444	6,347,445	2,205,180	2,205,180	2,205,179
Ending Fund Balances	\$ 6,752,476	\$ 6,752,476	\$ 7,060,826	\$ 2,657,053	\$ 2,657,053	\$ 2,332,576

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Combining Statements of Changes in Assets and Fund Balances – All Activity Funds
For the Year Ended June 30, 2015

Activities	Ending Balance as of June 30, 2014	Total Receipts	Total Disbursements	Ending Balance as of June 30, 2015
Administration Activity Fund	29,316	9,300	10,097	28,519
Apache Team	7,252	3,983	2,739	8,496
Art	3,114	1,035	3,078	1,071
Art Club	1,279	281	233	1,327
Art Festival	1,470	1,978	894	2,554
Art Fund	6,125	5,608	4,630	7,103
Asian Club	974	61	330	705
Athletics	250,295	744,820	718,750	276,365
Avid	302	9,239	7,702	1,839
Band	10,555	94,900	92,372	13,083
Be The Change Club	864	(864)	-	-
Bus Prof of Amer	2,240	9,980	10,088	2,132
Camp Classen	2,667	10,859	13,525	1
Cancer Research Fund	116,009	244,392	239,303	121,098
Cheerleading	6,857	45,160	36,660	15,357
Class of 2014	8,090	(5,035)	3,054	1
Class of 2015	22,117	39,148	41,472	19,793
Class of 2016	5,591	46,661	27,674	24,578
Class of 2017	3,625	8,096	4,729	6,992
Class of 2018	300	3,110	1,801	1,609
Class of 2019	-	300	-	300
Clearing-General Fund Ref	-	72,097	62,927	9,170
Concession	12,559	4,500	11,173	5,886
Crafts	151	965	784	332
Dance	1,455	9,822	7,569	3,708
Debate	2,985	(2,742)	243	-
Debate/Speech Activities	4,214	7,003	8,193	3,024
Deca	22,599	43,577	53,758	12,418
District Staff Development	25,382	18,778	31,580	12,580
Donations	81,587	13,796	55,756	39,627
Drama	27,293	25,783	25,306	27,770
Employee Courtesy Fund	11,321	20,820	18,923	13,218
English Paper Back	77	-	-	77
Environmental Club	893	-	-	893
Extended Care	270,397	497,072	521,757	245,712
Family & Consumers Science	3,271	5,737	5,137	3,871
Fccla	5,644	14,988	16,242	4,390
Field Trips	2,646	23,755	21,820	4,581
Fifth Grade	389	4,154	3,926	617
French Club	908	710	898	720
Groundbreakers	3,489	1,626	671	4,444
Guidance-Counseling	3,162	4,780	4,107	3,835

(continued on next page)

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Combining Statements of Changes in Assets and Fund Balances – All Activity Funds
For the Year Ended June 30, 2015

Activities	Ending Balance as of June 30, 2014	Total Receipts	Total Disbursements	Ending Balance as of June 30, 2015
Hispanic Leadership	2	(2)	-	-
HOSA	4,356	795	1,639	3,512
Incentives	342	(342)	-	-
Interest	56,419	2,598	581	58,436
International Club	278	104	203	179
Journalism-Newspaper	4,104	4,106	6,496	1,714
Jr Assn of the Deaf	207	-	-	207
JROTC	578	21,966	21,045	1,499
Junior Classical LG-Latin	340	400	550	190
Key Club	1,043	2,070	2,150	963
La Raza	5,530	4,149	6,076	3,603
Latin Club	916	1,281	1,922	275
Latino Club	1,570	1,283	1,286	1,567
Leadership	5,012	4,297	5,639	3,670
Mcs-Step Team	1,544	159	1,156	547
Media	47,717	118,207	117,210	48,714
Memorial Fund	2,611	360	429	2,542
Model United Nations	239	2,264	2,155	348
Mohicans Team	2,713	983	705	2,991
Motivational Program	2,675	18,468	17,536	3,607
Native American Club	5	(5)	-	-
Nat'L Forensic Lge-Debate	211	(211)	-	-
Nat'L Honor Society	8,296	6,758	4,716	10,338
Nat'L Junior Honor Society	459	5,622	2,583	3,498
Orchestra	10,879	88,018	78,662	20,235
Peak-Gifted & Talented	28,608	61,633	57,308	32,933
Pep Club	5,101	42,379	44,038	3,442
Phys Ed	6,985	20,017	18,474	8,528
Pictures	59,462	49,061	47,186	61,337
Ping Pong Club	223	(223)	-	-
Pom	8,321	32,077	33,837	6,561
Refunds	-	2,000	2,000	-
SADD	55	(55)	-	-
Scholarships	92,263	14,205	12,360	94,108
School Wide Fund	286,907	480,020	436,979	329,948
Science	2,521	1,914	1,374	3,061
Science & Engineering Club	2,661	295	1,305	1,651
Science Club - Lab	255	79	-	334
Science Olympiad	68	-	-	68
Soaring Eagles	3,224	-	516	2,708
Sons & Daughters of Liberty	231	-	61	170
Spanish Club	1,446	-	-	1,446
Spanish Cultural	1,550	2,751	2,947	1,354
Special Education	3,569	16,592	16,917	3,244
Special Olympics	8,152	10,043	7,566	10,629
Special Services	1,822	1,052	1,126	1,748
Step Team	1,003	2,410	544	2,869
Stop Hate Club	15	18	-	33
Student Council	25,180	86,857	76,499	35,538
Student Store	85	(85)	-	-

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Combining Statements of Changes in Assets and Fund Balances – All Activity Funds
For the Year Ended June 30, 2015

Activities	Ending Balance as of June 30, 2014	Total Receipts	Total Disbursements	Ending Balance as of June 30, 2015
Special Olympics	8,152	10,043	7,566	10,629
Special Services	1,822	1,052	1,126	1,748
Step Team	1,003	2,410	544	2,869
Stop Hate Club	15	18	-	33
Student Council	25,180	86,857	76,499	35,538
Student Store	85	(85)	-	-
Tech Ed	4,530	3,804	1,523	6,811
Tech Ed Student Association	3	-	-	3
Tech Ed-Tsa	404	220	180	444
Tech Systems Class	62	250	300	12
Teen Leadership	2,205	(2,098)	107	-
Theater Arts Academy	5,296	7,655	10,759	2,192
Tomahawks Team	62	2,624	1,939	747
Transitional Work Class	3,392	1,535	1,411	3,516
Turkey Bingo	8,058	4,121	2,615	9,564
United Native People	223	-	-	223
Varsity Cheer	445	14,538	10,505	4,478
Vending	216,433	222,945	285,145	154,233
Vocal Music	12,820	109,028	100,193	21,655
Yearbook	71,746	108,095	114,144	65,697
Youth & Government	631	1,585	2,035	181
Total Assets	\$ 1,984,163	\$ 3,620,903	\$ 3,634,533	\$ 1,970,533
Liabilities				
Due to Student Groups	\$ 1,984,163	\$ 3,620,903	\$ 3,634,533	\$ 1,970,533
Total Liabilities	\$ 1,984,163	\$ 3,620,903	\$ 3,634,533	\$ 1,970,533

Note 1- Basis of Presentation

The above schedule and format is required by the Oklahoma State Department of Education and is not intended to represent a financial statement in accordance with accounting principles prescribed by the Oklahoma State Department of Education.

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Statement of Statutory, Fidelity and Honesty Bonds (unaudited)
For the Year Ended June 30, 2015

The District has a Public School District Blanket Fidelity Bond with Ohio Casualty Company. The bond number is 3343466. It covers all employees for the penal sum of \$100,000 and is for the term of July 01, 2014, to June 30, 2015.

The treasurer is bonded by Ohio Casualty Company, bond number 5026722, for the penal sum of \$350,000 for the term of July 01, 2014, to June 30, 2015.

The assistant treasurer is bonded by Ohio Casualty Company, bond number 3936319, for the penal sum of \$350,000 for the term of July 01, 2014, to June 30, 2015.

The superintendent is bonded by Ohio Casualty Company, bond number 601072182, for the penal sum of \$100,000 for the term of July 01, 2014, to June 30, 2015.

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Project Number	Deferred Revenue (Accounts Receivable) Balance June 30, 2014	Federal Grant Receipts	Federal Grant Expenditures	Deferred Revenue (Accounts Receivable) Balance June 30, 2015
<u>U.S. Department of Education</u>						
Direct Programs						
Indian Education, Grants to Local Educational Agencies	84.060	561	\$ (27,412)	\$ 123,177	\$ 119,903	\$ (24,138)
Counseling Program, Grants to Local Educational Agencies	84.215E	775	(74,104)	308,996	334,442	(99,550)
PEP Grant, Grants to Local Educational Agencies	84.215F	774	-	498,826	518,078	(19,252)
Direct Programs			<u>(101,516)</u>	<u>930,999</u>	<u>972,423</u>	<u>(142,940)</u>
Passed Through Oklahoma Department of Career and Technology Education Vocational Education - Basic Grant to States	84.048	421/424/426	<u>(69,547)</u>	<u>156,254</u>	<u>278,580</u>	<u>(191,873)</u>
Passed Through Oklahoma Community Service Commission Americorp	84.048	777	<u>(39,824)</u>	<u>138,449</u>	<u>124,406</u>	<u>(25,781)</u>
Passed Through Oklahoma State Regents for Higher Education Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	778	<u>1,312</u>	<u>-</u>	<u>-</u>	<u>1,312</u>
Passed Through Oklahoma Department of Rehabilitation Services Job Training	84.126	456	<u>-</u>	<u>2,019</u>	<u>2,508</u>	<u>(489)</u>
Passed Through Oklahoma State Department of Education Title I, Grants to Local Educational Agencies	84.010	511/515/517	<u>(1,220,602)</u>	<u>4,248,972</u>	<u>4,285,996</u>	<u>(1,257,626)</u>
Special Education - Grants to States	84.027	615/621/625	(1,117,411)	3,557,094	3,672,041	(1,232,358)
Special Education - Preschool Grants	84.173	641/642	(28,293)	88,603	94,425	(34,115)
Special Education Cluster			<u>(1,145,704)</u>	<u>3,645,697</u>	<u>3,766,466</u>	<u>(1,266,473)</u>
Title II, Part A Teacher and Principal Training and Recruiting Fund	84.367	541	(150,912)	502,744	478,804	(126,972)
Title II Part B Math & Science	84.366	542/544	(218,134)	218,134	35,076	(35,076)
Title III Part A English Language Acquisition	84.365	571/572	(93,465)	254,483	214,062	(53,044)
Title X Part C Education for Homeless Children and Youth	84.196	596	(47,689)	99,149	55,754	(4,294)
Total U.S. Department of Education			<u>(3,086,081)</u>	<u>10,196,900</u>	<u>10,214,075</u>	<u>(3,103,256)</u>

(continued on next page)

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Project Number	Deferred Revenue (Accounts Receivable) Balance June 30, 2014	Federal Grant Receipts	Federal Grant Expenditures	Deferred Revenue (Accounts Receivable) Balance June 30, 2015
<u>U.S. Department of Agriculture</u>						
Passed through the Oklahoma State Department of Education						
Cash assistance:						
Breakfast Program	10.553	764	-	1,539,293	1,539,293	-
Lunch Program	10.555	763	-	5,297,867	5,297,867	-
Summer Food Service	10.559	766	-	56,361	56,361	-
Farm Bill Equipment Grant	10.579	791	-	-	10,474	(10,474)
Cash Assistance Subtotal			-	<u>6,893,521</u>	<u>6,903,995</u>	<u>(10,474)</u>
Non-Cash assistance (Commodities):						
Breakfast Program	10.553	764	15,772	119,557	101,028	34,301
Lunch Program	10.555	763	55,204	418,450	353,599	120,055
Summer Food Service	10.559	766	719	5,434	4,592	1,561
Non-Cash Assistance Subtotal			<u>71,695</u>	<u>543,441</u>	<u>459,219</u>	<u>155,917</u>
Child Nutrition Cluster			<u>71,695</u>	<u>7,436,962</u>	<u>7,363,214</u>	<u>145,443</u>
Total U.S. Department of Agriculture			<u>71,695</u>	<u>7,436,962</u>	<u>7,363,214</u>	<u>145,443</u>
<u>U.S. Department of Defense</u>						
Direct Programs						
JROTC	Not Available	771	(5,447)	49,152	48,896	(5,191)

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Project Number	Deferred Revenue (Accounts Receivable) Balance June 30, 2014	Federal Grant Receipts	Federal Grant Expenditures	Deferred Revenue (Accounts Receivable) Balance June 30, 2015
<u>U.S. Department of the Interior</u>						
Passed through the Oklahoma State Department of Education						
Indian Education - Assistance to Schools						
Johnson O'Malley Program						
	15.130	563/564	5,395	59,220	29,920	34,695
Total Expenditures of Federal Awards			<u>\$ (3,014,438)</u>	<u>\$ 17,742,234</u>	<u>\$ 17,656,105</u>	<u>\$ (2,928,309)</u>

Note 1 - Basis of Presentation

The above schedule of expenditures of federal awards includes the federal grant activity of Putnam City Independent School District No. 1, Oklahoma County, Oklahoma. The schedule is prepared using a cash receipts and disbursements basis. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Non-cash commodities included in the above schedule are valued at the fair market value of the items received.

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Reconciliation of Schedule of Expenditures of Federal Awards to OCAS Data (Unaudited)
For the Year Ended June 30, 2015

Project Number	Revenue/Receipts						Expenditures/Disbursements					
	Per SEFA	OCAS FR3 Revenue				Variance	Per SEFA	OCAS FR3 Expenditures			Variance	
	Federal Grant Receipts	CY Project	FY15 799	Reclasses	Total		Federal Grant Expenditures	Expenditure	FY14 July Expenditures	Total		
561	\$ 123,177	\$ 95,764	\$ 27,413	\$ -	\$ 123,177	\$ -	\$ 119,903	\$ 119,903	\$ -	\$ 119,903	\$ -	
775	308,996	225,882	83,114	-	308,996	-	334,442	325,432	9,010	334,442	-	
774	498,826	498,826	-	-	498,826	-	518,078	518,078	-	518,078	-	
421	156,254	58,330	63,629	-	121,959	34,295	278,580	230,194	-	230,194	48,386	
424	-	16,847	-	-	16,847	(16,847)	-	24,386	-	24,386	(24,386)	
426	-	11,530	5,918	-	17,448	(17,448)	-	24,000	-	24,000	(24,000)	
	<u>156,254</u>	<u>86,707</u>	<u>69,547</u>	<u>-</u>	<u>156,254</u>	<u>-</u>	<u>278,580</u>	<u>278,580</u>	<u>-</u>	<u>278,580</u>	<u>-</u>	
777	138,449	96,895	41,554	-	138,449	-	124,406	122,675	1,731	124,406	-	
778	-	-	-	-	-	-	-	-	-	-	-	
456	2,019	2,019	-	-	2,019	-	2,508	2,508	-	2,508	-	
511	4,248,972	2,873,849	1,201,959	-	4,075,808	173,164	4,285,996	4,120,242	508	4,120,750	165,246	
515	-	10,787	-	-	10,787	(10,787)	-	10,787	-	10,787	(10,787)	
517	-	-	-	-	-	-	-	4,442	-	4,442	(4,442)	
786	-	132,733	29,644	-	162,377	(162,377)	-	150,017	-	150,017	(150,017)	
	<u>4,248,972</u>	<u>3,017,369</u>	<u>1,231,603</u>	<u>-</u>	<u>4,248,972</u>	<u>-</u>	<u>4,285,996</u>	<u>4,285,488</u>	<u>508</u>	<u>4,285,996</u>	<u>-</u>	
621	3,557,094	2,392,963	1,082,228	-	3,475,191	81,903	3,672,041	3,608,605	3,536	3,612,141	59,900	
625	-	42,502	39,401	-	81,903	(81,903)	-	59,219	681	59,900	(59,900)	
	<u>3,557,094</u>	<u>2,435,465</u>	<u>1,121,629</u>	<u>-</u>	<u>3,557,094</u>	<u>-</u>	<u>3,672,041</u>	<u>3,667,824</u>	<u>4,217</u>	<u>3,672,041</u>	<u>-</u>	
641	88,603	60,310	28,293	-	88,603	-	94,425	94,425	-	94,425	-	
642	-	-	-	-	-	-	-	-	-	-	-	
	<u>88,603</u>	<u>60,310</u>	<u>28,293</u>	<u>-</u>	<u>88,603</u>	<u>-</u>	<u>94,425</u>	<u>94,425</u>	<u>-</u>	<u>94,425</u>	<u>-</u>	
541	502,744	351,831	138,329	-	490,160	12,584	478,804	478,804	-	478,804	-	
786	-	-	12,584	-	12,584	(12,584)	-	-	-	-	-	
	<u>502,744</u>	<u>351,831</u>	<u>150,913</u>	<u>-</u>	<u>502,744</u>	<u>-</u>	<u>478,804</u>	<u>478,804</u>	<u>-</u>	<u>478,804</u>	<u>-</u>	

Putnam City Independent School District No. 1

Oklahoma County, Oklahoma

Reconciliation of Schedule of Expenditures of Federal Awards to OCAS Data (Unaudited)

For the Year Ended June 30, 2015

Project Number	Revenue/Receipts						Expenditures/Disbursements				
	Per SEFA	OCAS FR3 Revenue				Variance	Per SEFA	OCAS FR3 Expenditures			Variance
	Federal Grant Receipts	CY Project	FY15 799	Reclasses	Total		Federal Grant Expenditures	Expenditure	FY14 July Expenditures	Total	
542	218,134	-	183,782	-	183,782	34,352	35,076	35,076	-	35,076	-
544	-	-	34,352	-	34,352	(34,352)	-	-	-	-	-
	<u>218,134</u>	<u>-</u>	<u>218,134</u>	<u>-</u>	<u>218,134</u>	<u>-</u>	<u>35,076</u>	<u>35,076</u>	<u>-</u>	<u>35,076</u>	<u>-</u>
571	254,483	-	31,980	-	31,980	222,503	214,062	-	-	-	214,062
572	-	161,019	61,484	-	222,503	(222,503)	-	214,062	-	214,062	(214,062)
	<u>254,483</u>	<u>161,019</u>	<u>93,464</u>	<u>-</u>	<u>254,483</u>	<u>-</u>	<u>214,062</u>	<u>214,062</u>	<u>-</u>	<u>214,062</u>	<u>-</u>
596	99,149	51,397	47,752	-	99,149	-	55,754	55,694	60	55,754	-
771	49,152	43,706	5,446	-	49,152	-	48,896	48,896	-	48,896	-
563	59,220	59,220	-	-	59,220	-	29,920	24,526	-	24,526	5,394
564	-	-	-	-	-	-	-	5,394	-	5,394	(5,394)
	<u>59,220</u>	<u>59,220</u>	<u>-</u>	<u>-</u>	<u>59,220</u>	<u>-</u>	<u>29,920</u>	<u>29,920</u>	<u>-</u>	<u>29,920</u>	<u>-</u>
764	1,539,293	1,539,293	-	-	1,539,293	-	1,539,293	1,539,293	-	1,539,293	-
763	5,297,867	5,297,867	-	-	5,297,867	-	5,297,867	5,297,867	-	5,297,867	-
766	56,361	56,361	-	-	56,361	-	56,361	56,361	-	56,361	-
791	-	-	-	-	-	-	10,474	10,474	-	10,474	-
	<u>6,893,521</u>	<u>6,893,521</u>	<u>-</u>	<u>-</u>	<u>6,893,521</u>	<u>-</u>	<u>6,903,995</u>	<u>6,903,995</u>	<u>-</u>	<u>6,903,995</u>	<u>-</u>
Commodities (noncash)	543,441	-	-	-	-	-	459,219	-	-	-	-
Total	<u>\$ 17,742,234</u>	<u>\$ 14,079,931</u>	<u>\$ 3,118,862</u>	<u>\$ -</u>	<u>\$ 17,198,793</u>	<u>\$ -</u>	<u>\$ 17,656,105</u>	<u>\$ 17,175,966</u>	<u>\$ 15,526</u>	<u>\$ 17,191,492</u>	<u>\$ -</u>



**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

To the Board of Education
Putnam City Independent School District No. 1
Oklahoma City, Oklahoma

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Putnam City Independent School District No. 1 as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Putnam City Independent School District No. 1's basic financial statements, and have issued our report thereon dated December 1, 2015. Our opinions were modified because the District prepares its financial statements on a prescribed regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Putnam City Independent School District No.1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Putnam City Independent School District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of Putnam City Independent School District No. 1's internal control.

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

Our consideration of internal control over financial reporting 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 financial reporting 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 Putnam City Independent School District No. 1's financial statements are free of 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2015-A.

Putnam City Independent School District No.1's Response to Findings

Putnam City Independent School District No.1's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Putnam City Independent School District No. 1's response and, accordingly, we express no opinion on it.

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.

The image shows a handwritten signature in cursive script that reads "Eide Sully LLP".

Oklahoma City, Oklahoma
December 1, 2015



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by OMB Circular A-133

To the Board of Education
Putnam City Independent School District No. 1
Oklahoma City, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Putnam City Independent School District No. 1's 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 Putnam City Independent School District No. 1's major federal programs for the year ended June 30, 2015. Putnam City Independent School District No. 1's major federal programs are identified in the summary of auditor's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of Putnam City Independent School District No. 1's 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 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 Putnam City Independent School District No. 1's 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 Putnam City Independent School District No. 1's compliance.

Opinion on Each Major Federal Program

In our opinion, Putnam City Independent School District No. 1 complied, in all material respects, with the 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, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as 2015-001. Our opinion on each federal program is not modified with respect to these matters.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Putnam City Independent School District No. 1 (the District) is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's 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 the District's 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 compliance requirement 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that were not identified. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-001 to be a material weakness.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Eide Bailly LLP

Oklahoma City, Oklahoma
December 1, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Modified-Adverse based on regulatory basis
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major programs:	
Material weakness identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	Yes

Name of Federal Program or Cluster

CFDA number

Title I	84.010
Title II	84.367
Special Education Cluster	84.027/84.173
Physical Education Program (PEP) Grant	84.215F
Dollar threshold used to distinguish between Type A and Type B programs	\$ 529,683
Auditee qualified as low-risk auditee	No

Section II - Findings relating to the Financial Statements

2015-A

- Condition: Student activity receipts are not deposited within the next business day or at least weekly if less than \$100. Further, deposits were not adequately supported by receipts.
- Criteria: Oklahoma Statutes Section 70-5-129 related to student activity funds states “deposits subject to the requirements of this section shall be made by the end of the next business day; however, if the deposit for a day totals less than \$100, a school district may accumulate monies required to be deposited into the fund on a daily basis until the total accumulated balance of deposits equals or exceeds \$100...shall deposit accumulated monies not less than one time per week.”
- Cause: Teacher sponsors are not turning funds over to financial secretaries on a daily basis and/or financial secretaries are not depositing daily as required by District policy and Oklahoma statutes.
- Context: Approximately 5% of the deposits tested (2 in our sample of 40) identified receipts with the teacher sponsor did not turn in funds daily to the financial secretary resulting in noncompliance with State Statutes.

Approximately 5% of deposits tested (2 in our sample of 40) did not have all and/or accurate supporting receipts for those deposits.
- Effect: Failure to comply with State law indicating a failure to exercise control over funds received from student activities.
- Recommendation: Requirements for daily submission of student activity funds should be monitored for all sites by District administration.
- Response and Corrective Action Plan: The District administration will continue to emphasize the legal requirements effective immediately.

Section III - Findings and Questioned Costs for Major Federal Awards

2015-001 Suspension and Debarment Control

U.S. Department of Education passed through the Oklahoma State Department of Education:
Title I CFDA #84.010 and Physical Education Program Grant CFDA #84.215F

- Condition: The District does not appear to have a control in place to check vendors for potential suspension and/or debarment. However, no vendors selected in our testwork were listed as suspended or debarred.

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Criteria:	<p>Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All nonprocurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.</p> <p>When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA) and available at https://www.sam.gov/portal/public/SAM/, (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).</p>
Cause:	<p>The District does not have a process in place to check vendors under covered transactions (\$25,000 or more) with the federal website for suspended or debarred entities.</p>
Context:	<p>Covered transactions in our samples did not have a control in place to identify the vendor as suspended or debarred prior to transacting with that vendor.</p>
Questioned costs:	<p>None, no vendors in our samples were listed as suspended or debarred.</p>
Effect:	<p>The District is out of compliance with federal requirements regarding suspension and debarment controls.</p>
Recommendation:	<p>Control procedures should be implemented to ensure that vendors are checked against the federal website for vendors that could be suspended or debarred prior to transacting with such vendors.</p>
Response and Corrective Action Plan:	<p>The District recognizes a need for increased training and oversight in relation to suspension/debarment verification documentation. Immediate corrective actions have been taken by District administration.</p>

Section II - Findings relating to the Financial Statements

2014-A Condition: Student activity receipts are not deposited within the next business day or at least weekly if less than \$100.

Current Status: Repeat finding in the current year – see 2015-A.

Section III - Findings and Questioned Costs for Major Federal Awards

2014-001 Time and Effort Control
U.S. Department of Education passed through the Oklahoma State Department of Education
Title I CFDA #84.010

Condition: One employee working with the Title I Program did not have proper time and effort documentation as required by OMB Circular A-87, Attachment B, paragraph 8.h.

Current Status: No such findings in the current year.

Putnam City Independent School District No. 1
Oklahoma County, Oklahoma
Schedule of Accountant's Professional Liability Insurance Affidavit (unaudited)
For the Year Ended June 30, 2015

STATE OF OKLAHOMA)
) ss
County of Oklahoma)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit law" at the time of audit contract and during the entire audit engagement with Putnam City Independent School District No. 1 for the audit year 2014-2015.

Eide Bailly, LLP

BY Vanessa M. Dutton, Audit Partner

Subscribed and sworn to before me on this 1st day of December, 2015.

Jo Carroll
Notary Public

My commission expires 7-21-19

