Miami School District No. I-23

Ottawa County, Oklahoma

Basic Financial Statements
June 30, 2015

TURNER & ASSOCIATES, PLC
Certified Public Accountants
P.O. Box 378
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Miami School District No. I-23
Ottawa County, Oklahoma
School District Officials
June 30, 2015

Board of Education

President	Donni Long
Vice-President	Marcel Walther
Clerk	Chuck McKibben
Member	Harley Turner
Member	Dr. Mark Folks

Superintendent of Schools

Loretta Robinson

School District Treasurer

Amy Zordel

Minute Clerk

Martha Buttram

Encumbrance Clerk

Lisa Greninger

Miami School District No. I-23
Ottawa County, Oklahoma
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TURNER
& ASSOCIATES, PLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Miami School District No. I-23
Miami, Ottawa County, Oklahoma

Report on the Financial Statements

We have audited the accompanying basic financial statements – regulatory basis of the governmental activities, each major fund and the aggregate remaining fund information of the Miami School District No. I-23, Ottawa County, Oklahoma (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education to meet financial reporting requirements of the State of Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 discussed in Note 1, the financial statements are prepared by the District, on the basis of the financial reporting provisions of 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 regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determined, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the basic financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2015, the changes in its financial position or, where applicable, its cash flows for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the basic financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position – regulatory basis of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2015, and the respective changes in financial position – regulatory basis for the year then ended on the regulator 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 District's basic financial statements. The 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 Organizations*, and is also not a required part of the basic financial statements. Management's discussion and analysis and budgetary comparison information and notes on pages 10-16 and 40-42, are presented for purposes of additional analysis as required by the Oklahoma State Department of Education, and are also not a required part of the basic financial statements.

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 schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Management's discussion and analysis and budgetary comparison information and notes on pages 10-16 and 40-42 , which are the responsibility of management, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated March 8, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Turner & Associates, PLC

Vinita, Oklahoma
March 8, 2016

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

TURNER
& ASSOCIATES, PLC
Certified Public Accountants

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*

The Honorable Board of Education
Miami School District No. I-23
Miami, Ottawa County, 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 accompanying basic financial statements – regulatory basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Miami School District No. I-23, Ottawa County, Oklahoma (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated March 8, 2016, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Turner & Associates, PLC

Vinita, Oklahoma
March 8, 2016

TURNER
& ASSOCIATES, PLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Honorable Board of Education
Miami School District No. I-23
Miami, Ottawa County, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited the Miami School District No. I-23, Ottawa County, Oklahoma's (District) 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 District's major federal programs for the year ended June 30, 2015. The District'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 compliance for each of the District'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 types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District'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 the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material aspects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Turner & Associates, PLC
Vinita, Oklahoma
March 8, 2016

Miami School District No. I-23
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an adverse opinion on the basic financial statements-regulatory basis in conformity with generally accepted accounting principles and an unqualified opinion on the governmental activities, each major fund and the aggregate remaining fund information in conformity with a regulatory basis of accounting prescribed by the Oklahoma Department of Education.

2. No deficiencies relating to the audit of the financial statements is reported in the Schedule of Findings and Questioned Costs.

3. No instances of noncompliance material to the financial statements of Miami School District were disclosed during the audit.

4. No significant deficiencies relating to the audit of the major federal award programs during the audit are reported in the Independent Auditor's Report on Compliance with Requirement that could have a direct material effect on each major Program and Internal Control over Compliance with OMB Circular A-133.

5. The auditor's report on compliance for the major federal award programs for Miami School District expresses an unqualified opinion on all major federal programs.

6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.

7. The programs tested as major programs included:

CFDA Number	Name of Federal Program
10.555	USDA Lunch
10.553	USDA Breakfast
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants

8. The threshold used for distinguishing between Type A and B programs was $300,000.

9. Miami School District is not a low-risk auditee.

Miami School District No. I-23
Ottawa County, Oklahoma
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2015

PRIOR AUDIT FINDINGS

None.

Miami School District No. I-23
Ottawa County, Oklahoma
Management's Discussion and Analysis
June 30, 2015

As management of the Miami School District No. I-23 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The total net position of the District decreased by $150,508 or 0.8% over the fiscal year.
- General revenues accounted for $15,837,344 or 85% of total governmental activities revenue. Program specific revenues accounted for $2,732,572 or 15% of total governmental activities revenue.
- The District had $18,720,425 in expenses related to governmental activities: $2,732,572 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities were offset by property tax levies, state and county sources, and other miscellaneous sources.
- Governmental activities capital assets decreased by a net of $718,025, primarily due to depreciation expense.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information.

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

The Statement of Net Position presents information on all of the District's assets and liabilities with a difference between the two reported as net position. Over time, increase or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlining event given rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statements for some items that will only result in cash flows in future fiscal periods.(e.g., reserves paid in the following year).

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The government-wide financial statements can be found on pages 17-18 of this report

Miami School District No. I-23
Ottawa County, Oklahoma
Management's Discussion and Analysis
June 30, 2015

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

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

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

The District maintains five individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Debt Service and Capital Project funds, all of which are considered to be major funds. Data from the other three funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combing statements elsewhere in this report.

The District adopts an annual appropriated budget for its General, Special Revenue (Building and Child Nutrition Funds) and Debt Service Funds. Budgetary comparison schedules have been provided for the major funds to demonstrate compliance with the budget and are presented as required supplemental information.

The basic governmental fund financial statements can be found on pages 19-22 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the District's own programs.

The District uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on pages 19-22 of this report.

Notes to the Financial Statements –The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-39 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain information required by the Oklahoma State Department of Education concerning the District's budgetary comparisons and notes. Required supplementary information can be found on pages 40-43 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 43-44 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's Net Position is reported in the Statement of Net Position on page 17.

The District's total net position was $18,509,884 at June 30, 2015.

	Governmental Activities			
	June 30, 2015	June 30, 2014	Differences	
Cash and Investments	$ 6,513,301	$ 6,546,548	$ (33,247)	-0.5%
Capital Assets	15,159,160	15,877,184	(718,024)	-4.7%
Total Assets	21,672,461	22,423,732	(751,271)	-3.5%
Liabilities	3,162,577	3,763,340	(600,764)	-19.0%
Net Investment in Capital Assets	13,959,160	14,158,566	(199,406)	-1.4%
Restricted	2,046,754	2,045,260	1,494	0.1%
Unrestricted	2,503,969	2,494,296	9,674	0.4%
Total Net Position	$ 18,509,884	$ 18,660,392	$ (150,508)	-0.8%

District's Net Position

Most of the District's net position is invested in capital assets (land, buildings, buses and equipment). The remaining net position is a combination of restricted and unrestricted amounts. The restricted balances are amounts set aside by management for specific purposes as planned by the District or required by law.

The net position of the District decreased by $150,508 or 0.8%. This increase is comprised of a decrease of $199,406 in net investment in capital assets; an increase of $1,494 in restricted net position; and an increase of $9,674 in unrestricted net position - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, legislation or other legal requirements.

Miami School District No. I-23
Ottawa County, Oklahoma
Management's Discussion and Analysis
June 30, 2015

ANALYSIS OF THE DISTRICT'S OPERATIONS

The following table provides a summary of the District's operations for the year ended June 30, 2015 with comparative totals for the year ended June 30, 2014. Governmental activities decreased the District's total net position by $150,508.

District's Changes in Net Position

	Governmental Activities			
	June 30, 2015	June 30, 2014	Differences	
Revenues:				
Program Revenues				
Charges for Services	$ 221,109	$ 164,712	$ 56,397	25.5%
Operating Grants and Contributions	2,511,463	2,393,170	118,293	4.7%
General Revenues				
Property Taxes	3,251,599	3,257,853	(6,254)	-0.2%
Other Taxes	1,498,812	1,478,046	20,766	1.4%
State Aid	10,633,773	10,654,589	(20,816)	-0.2%
Investment Earnings	7,628	8,840	(1,212)	-15.9%
Miscellaneous	28,797	381,365	(352,568)	-1224.3%
Reimbursements	15,363	107,968	(92,605)	-602.8%
Lapsed Appropriations	400,051	462,617	(62,566)	-15.6%
Estopped Warrants	1,322	285	1,037	78.5%
Total Revenues	18,569,917	18,909,444	(339,526)	-1.8%
Expenses:				
Instruction	10,005,390	10,227,644	(222,254)	-2.2%
Support Services	6,378,235	5,878,268	499,967	7.8%
Non-Instruction Services	1,239,124	1,181,315	57,809	4.7%
Capital Outlay	-	1,533	(1,533)	0.0%
Other Outlays	237,910	218,839	19,071	8.0%
Interest on Long-Term Debt	23,902	33,103	(9,201)	-38.5%
Unallocated Depreciation Expense	835,864	829,179	6,685	0.8%
Total Expenses	18,720,425	18,369,881	350,544	1.9%
Total Increase (Decrease) in Net Position	(150,508)	539,564	(690,072)	458.5%
Net Position, Beginning	18,660,392	18,120,828	539,564	2.9%
Net Position, Ending	$ 18,509,884	$ 18,660,392	$ (150,508)	-0.8%

Property taxes made up 17.5% of total revenues for the District in fiscal year 2015 while operating grants contributed another 13.5% and State Aid provided 57.3% of revenues.

Miami School District No. I-23
Ottawa County, Oklahoma
Management's Discussion and Analysis
June 30, 2015

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

Governmental Funds- The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

The District's governmental funds are accounted for using the regulatory basis of accounting. All governmental funds had total revenues of $18,569,917 and expenditures of $18,521,019. The overall net increase in fund balances of $48,897 is comprised of an increase in the General Fund balance of $9,674; an increase in the Building Fund balance of $168,872; a decrease in the Child Nutrition Fund balance of $187,550; an increase in the Debt Service Fund balance of $57,902.

CAPITAL ASSET

The District's investment in capital assets for its governmental activities as of June 30, 2015, amounts to $41,119,081 (excluding accumulated depreciation). This investment in capital assets includes land, buildings and improvements, transportation equipment, equipment, and construction in progress.

Major capital asset events during the current fiscal year included the following:

Improvements to the Softball Field, 2015 Chevy Suburban, 2016 International Bus

Capital Assets at Year- end Excluding Accumulated Depreciation

	Governmental Activities	
	Balance June 30, 2015	Balance June 30, 2014
Land	$ 1,306,009	$ 1,306,009
Construction in Progress	-	278,245
Buildings and Improvements	37,796,127	37,513,129
Transportation Equipment	1,846,109	1,733,022
Equipment	170,836	170,836
Total	$ 41,119,081	$ 41,001,241

Additional information on the District's capital assets can be found Note 2 on page 35 of this report.

Miami School District No. I-23
Ottawa County, Oklahoma
Management's Discussion and Analysis
June 30, 2015

Debt Administration

At June 30, 2015, the District had a total of general obligation bonds payable of $1,200,000, which are backed by the future revenues of the Debt Service Fund.

Outstanding Debt at Year-end –General Obligation Bonds

	Governmental Activities	
	6/30/2015	6/30/2014
General Obligations	$ 1,200,000	$ 1,700,000

Additional information on the District's long-term debt can be found in Note 2 on pages 35-36 of this report.

The State limits the amount of general obligation debt that school districts can issue to 10% of the assessed value of all taxable property within the District's corporate limits. At June 30, 2015, the District's total bonding capacity was $6,274,406 with $1,200,000 in bonds outstanding for a net bonding capacity of $5,074,406.

Miami School District No. I-23
Ottawa County, Oklahoma
Management's Discussion and Analysis
June 30, 2015

Economic Factors and Next Year's Budgets and Rates

In the 2015-16 Budget, General Fund revenues are budgeted to decrease from the 2014-15 Budget. General property taxes as certified assessed valuations have increased over this year. The State sources of revenue make up 75% of General fund revenues and have decreased by 1% from the preceding year. This revenue source is the most volatile and subject to decline if the State of Oklahoma is unable to supplement its income.

As a result of the potential impact in revenue, the District has made a concerted effort to limit appropriations to only those items truly necessary.

Request for Information

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. If you have questions about this report or need any additional information, contact the Superintendent's office at Miami School District, 26 N. Main, Miami, OK 74354.

Miami School District No. I-23
Ottawa County, Oklahoma
Statement of Net Position (Regulatory Basis)
June 30, 2015

ASSETS		
Cash and Cash Equivalents	$	6,513,300.51
Capital Assets:		
Land		1,306,009.20
Depreciable buildings, property and equipment net of depreciation		13,853,151.00
TOTAL ASSETS		21,672,460.71
LIABILITIES		
Warrants Payable		862,275.05
Encumbrances		1,100,301.74
General obligation bonds payable currently		600,000.00
Long-term liabilites		
General obligation bonds payable		600,000.00
TOTAL LIABILITIES		3,162,576.79
NET POSITION		
Net Investment in Capital Assets		13,959,160.20
Restricted		2,046,754.25
Unrestricted		2,503,969.47
TOTAL NET POSITION	$	18,509,883.92

The accompanying Notes to the Financial Statements are an integral part of this statement.

Miami School District No. I-23
Ottawa County, Oklahoma
Statement of Activities and Changes in Net Position (Regulatory Basis)
For the Fiscal Year Ended June 30, 2015

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position
Governmental Activities:					
Instruction	$ 10,005,390.04	$ -	$ 2,511,462.96	$ -	$ (7,493,927.08)
Support Services	6,378,234.54				(6,378,234.54)
Non-Instruction Services	1,239,124.20	221,109.47			(1,018,014.73)
Other Outlays	237,909.84	-	-	-	(237,909.84)
Interest on Long-Term Debt	23,901.84	-	-	-	(23,901.84)
Unallocated Depreciation Expense	835,864.67	-	-	-	(835,864.67)
Total Governmental Activities	$ 18,720,425.13	$ 221,109.47	$ 2,511,462.96	$ -	(15,987,852.70)

General Revenues:	
Property Taxes, levied for general purposes	2,392,828.32
Property Taxes, levied for debt service	581,101.84
State Aid	12,092,456.95
County Sources not restricted to a specific program	317,796.81
Investment Earnings	7,627.56
Miscellaneous	28,797.41
Reimbursements	15,363.22
Special Items:	
Adjustments to prior year encumbrances	400,050.75
Prior year estopped warrants	1,321.48
Total General Revenues	15,837,344.34
Change in Net Position	(150,508.36)
Net Position, Beginning of Year	18,660,392.28
Net Position, Ending of Year	$ 18,509,883.92

The accompanying Notes to the Financial Statements are an integral part of this statement.

Miami School District No. I-23
Ottawa County, Oklahoma
Governmental Funds
Balance Sheet (Regulatory Basis)
June 30, 2015

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 4,255,992.13	$ 1,808,330.12	$ 448,978.26	$ 6,513,300.51
LIABILITIES AND FUND EQUITY				
Liabilities:				
Warrants Payable	$ 812,471.65	$ -	$ 49,803.40	$ 862,275.05
Encumbrances	939,551.01	47,551.08	113,199.65	1,100,301.74
Total Liabilities	1,752,022.66	47,551.08	163,003.05	1,962,576.79
Fund Equity:				
Restricted to:				
Debt Service Fund	-	-	79,296.60	79,296.60
Capital Project Fund	-	-	29,469.30	29,469.30
Building Fund	-	1,760,779.04	-	1,760,779.04
Child Nutrition Fund	-	-	177,209.31	177,209.31
Unassigned	2,503,969.47	-	-	2,503,969.47
Total Fund Equity	2,503,969.47	1,760,779.04	285,975.21	4,550,723.72
Total Liabilities and Fund Equity	$ 4,255,992.13	$ 1,808,330.12	$ 448,978.26	6,513,300.51

The accompanying Notes to the Financial Statements are an integral part of this statement.

Miami School District No. I-23
Ottawa County, Oklahoma
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position (Regulatory Basis)
June 30, 2015

Total Fund Balances - Total Governmental Funds			$	4,550,723.72
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. These consist of:				
Land	$	1,306,009.20		
Depreciable buildings, property and equipment net of depreciation		13,853,151.00		15,159,160.20
General obligation bonds payable and capital lease obligations payable are not included in the governmental fund liabilities.				
General Obligation Bonds Payable				(1,200,000.00)
Net Position of Governmental Activities			$	18,509,883.92

The accompanying Notes to the Financial Statements are an integral part of this statement.

Miami School District No. I-23
Ottawa County, Oklahoma
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (Regulatory Basis)
For the Fiscal Year Ended June 30, 2015

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:				
Local Sources	$ 2,236,874.32	$ 298,496.49	$ 711,457.01	$ 3,246,827.82
Intermediate Sources	317,796.81	-	-	317,796.81
State Sources	11,979,486.60	-	112,970.35	12,092,456.95
Federal Sources	1,733,353.67	-	778,109.29	2,511,462.96
Total Revenues	16,267,511.40	298,496.49	1,602,536.65	18,168,544.54
Expenditures:				
Instruction	10,005,390.04	-	-	10,005,390.04
Support Services	6,383,019.32	132,375.90	-	6,515,395.22
Non-Instruction Services	-	-	1,239,124.20	1,239,124.20
Capital Outlay	-	-	-	-
Other Outlays	237,909.84	-	-	237,909.84
Repayments	-	-	500,000.00	500,000.00
Interest	-	-	23,200.00	23,200.00
Total Expenditures	16,626,319.20	132,375.90	1,762,324.20	18,521,019.30
Excess (Deficit) of Revenues Over (Under) Expenditures	(358,807.80)	166,120.59	(159,787.55)	(352,474.76)
				-
Adjustments to Prior Year				-
Encumbrances	367,159.97	2,751.70	30,139.08	400,050.75
Prior Year Estopped Warrants	1,321.48			1,321.48
Total Prior Year Adjustments	368,481.45	2,751.70	30,139.08	401,372.23
Net Change in Fund Balance	9,673.65	168,872.29	(129,648.47)	48,897.47
Fund Balance Beginning of Year	2,494,295.82	1,591,906.75	415,623.68	4,501,826.25
Fund Balance End of Year	$ 2,503,969.47	$ 1,760,779.04	$ 285,975.21	$ 4,550,723.72

The accompanying Notes to the Financial Statements are an integral part of this statement.

Miami School District No. I-23
Ottawa County, Oklahoma
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the District Wide Statement of Activities and Changes in Net Position
(Regulatory Basis)
For the Fiscal Year Ended June 30, 2015

Net Changes in Fund Balance - Total Governmental Funds		$ 48,897.47
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay expenditures	$ 117,840.00	
Depreciation expense	(835,864.67)	(718,024.67)
Payments on capitalized lease obligations are included in capital outlay expenditures in the governmental funds. The principal portion of these payments is reported as a reduction of liabilities in the statement of activities, while the interest portion of these lease payments is an expediture.		
Capital lease obligations		18,618.84
Payments on general obligaion bonds payable are included in the debt service expenditures in the governmental funds. The principal portion of these payments is reported as a reduction of liabilities in the statement of activities, while the interest portion of these payments is an expenditure. General obligation receipts are not record as revenue in the statement of revenues.		
General Obligation Bonds Payments		500,000.00
Change in Net Position of Governmental Activities		$ (150,508.36)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Miami School District No. I-23
Ottawa County, Oklahoma
Statement of Changes in Fiduciary Net Position (Regulatory Basis)
Agency Funds
June 30, 2015

	School Activity Funds			
	Balance July 1, 2014	Receipts	Disbursements	Balance June 30, 2015
Assets:				
Cash and Cash Equivalents:				
High School Accounts	$ 111,071.35	353,413.94	356,316.17	108,169.12
Middle School Accounts	28,482.63	71,040.17	70,506.43	29,016.37
Elementary Accounts	29,230.64	43,127.39	45,637.90	26,720.13
Cafeteria Account	39.05	128,054.68	127,992.28	101.45
Total Assets	$ 168,823.67	$ 595,636.18	$ 600,452.78	$ 164,007.07
Liabilities:				
Due to student groups:				
High School:				
Academic Quiz Bowl	$ 8.00	$ -	$ -	$ 8.00
Annual	9,662.61	10,246.38	10,135.00	9,773.99
Art	526.55	1,690.00	1,840.98	375.57
Athletics	19,480.35	99,720.26	101,960.34	17,240.27
Band	609.57	20,141.28	17,265.03	3,485.82
Cheer Booster	2,988.35	6,666.73	7,557.32	2,097.76
Chorus	1,703.52	12,825.25	13,818.76	710.01
Faculty	254.80	735.00	235.42	754.38
FFA	2,049.14	27,727.60	23,953.55	5,823.19
FCCLA	516.30	4,328.00	4,139.28	705.02
Foreign Language	8.20	-	-	8.20
Industrial Arts	4,772.45	773.00	2,235.67	3,309.78
Interest	740.21	139.62	279.72	600.11
Library	217.07	241.16	120.00	338.23
Math Club	47.62	-	-	47.62
Dance Team	2,567.96	4,474.53	6,732.32	310.17
NHS	2,074.08	2,297.00	2,433.18	1,937.90
SADD	40.23	-	-	40.23
School Nurse	585.22	-	-	585.22
Science Club	1,477.59	175.00	372.64	1,279.95
Speech	282.07	100.00	70.00	312.07
Student	1,006.58	27,042.25	27,940.82	108.01
Student Council	2,173.30	2,450.00	2,364.40	2,258.90
Wardog Booster	44,606.99	103,583.88	106,375.72	41,815.15
Native American Club	960.42	3,247.32	2,678.55	1,529.19
OCEA	487.24	-	-	487.24
MHS Newspaper	1,162.42	1,565.00	427.75	2,299.67
FCA	0.46	-	-	0.46
Key Club	500.34	6,049.01	5,296.24	1,253.11
Leadership	85.00	-	-	85.00
Speech Promotions	4,296.29	3,943.90	4,883.02	3,357.17

Continued on next page

The accompanying Notes to the Financial Statements are an integral part of this statement.

Miami School District No. I-23
Ottawa County, Oklahoma
Statement of Changes in Fiduciary Net Position (Regulatory Basis)
Agency Funds
June 30, 2015

	School Activity Funds			
	Balance July 1, 2014	Receipts	Disbursements	Balance June 30, 2015
Continued:	$ 105,890.93	$ 340,162.17	$ 343,115.71	$ 102,937.39
High School:				
Special Edition Wardogs	14.75	277.97	271.89	20.83
Swim Team	88.81	2,397.32	2,137.94	348.19
Class of 2016		7,172.58	5,402.87	1,769.71
Class of 2014	2,629.90	-	2,629.90	-
Class of 2015	2,446.96	3,403.90	2,757.86	3,093.00
Middle School:				
MS Memory Book	1,631.41	4,075.00	3,041.30	2,665.11
MS Athletics	419.62	-	-	419.62
MS Band	1,021.21	19,398.47	17,921.98	2,497.70
MS Spirit Club	2,413.85	7,204.00	8,918.09	699.76
MS Chorus	2,341.74	19,785.98	17,922.93	4,204.79
MS Faculty	1,086.93	2,155.15	1,614.54	1,627.54
MS FACS	5,028.18	10,762.50	8,879.54	6,911.14
MS Interest	433.88	29.31	71.62	391.57
MS Library	1,775.56	748.92	788.03	1,736.45
MS NHS	3,298.16	252.00	1,631.42	1,918.74
MS Student	2,402.19	4,038.84	6,258.28	182.75
MS Student Council	2,719.97	2,465.00	2,413.01	2,771.96
MS TSA	1,557.29	125.00	545.00	1,137.29
MS Academic Quiz Bowl	62.20	-	-	62.20
MS Art Club	245.58	-	183.19	62.39
MS Dance Team	185.08	-	-	185.08
Band Booster	63.47	-	-	63.47
PBIS	1,782.03	-	317.50	1,464.53
Native American Student C	14.28	-	-	14.28
Elementary School:				
Elementary Interest	1,471.89	120.08	802.12	789.85
Nichols	1,761.95	4,955.45	5,665.10	1,052.30
Rockdale	814.52	10,079.09	8,743.81	2,149.80
Roosevelt	11,068.73	9,500.84	9,821.31	10,748.26

Continued on next page

The accompanying Notes to the Financial Statements are an integral part of this statement.

Miami School District No. I-23
Ottawa County, Oklahoma
Statement of Changes in Fiduciary Net Position (Regulatory Basis)
Agency Funds
June 30, 2015

	School Activity Funds			
	Balance July 1, 2014	Receipts	Disbursements	Balance June 30, 2015
Continued:	$ 154,671.07	$ 449,109.57	$ 451,854.94	$ 151,925.70
Elementary School:				
Washington	7,654.63	8,319.17	10,994.11	4,979.69
Wilson	5,430.36	9,256.60	8,729.38	5,957.58
Ottawa County Academy	111.87	352.07	20.31	443.63
Child Nutrition	59.38	-	-	59.38
C.O./Bus Barn	857.31	544.09	861.76	539.64
Cafeteria Fund:				
Cafeteria Fund	39.05	128,054.68	127,992.28	101.45
Total Liabilities	$ 168,823.67	$ 595,636.18	$ 600,452.78	$ 164,007.07

The accompanying Notes to the Financial Statements are an integral part of this statement.

Miami School District No. I-23
Ottawa County, Oklahoma
Notes to the Financial Statements
June 30, 2015

I. Summary of Significant Accounting Policies

The accompanying financial statements of the Miami School District, No. I-65, Ottawa County, Oklahoma (the "District") conform to the regulatory basis of accounting, which is another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education and conforms to the system of accounting authorized by the State of Oklahoma. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The District's accounting policies are described in the following notes that are an integral part of the District's financial statements.

A. 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 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 state of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the District is the Board of Education (Board) composed of five elected members. The appointed superintendent is the executive officer of the District. The Board, constituting an on-going entity, is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Local Independent School District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting

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

As 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 State Department of Education (OSDE) as follows:

Miami School District No. I-23
Ottawa County, Oklahoma
Notes to the Financial Statements
June 30, 2015

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (continued)

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not as assets.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- Compensated absences are recorded as an expenditure and liability when the obligation is paid.
- Capital assets are recorded when acquired and depreciated over their useful lives.

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which requires revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and when revenues are earned and liabilities are incurred for proprietary fund types and trust funds.

The Fund financial conform to the regulatory (statutory) basis of accounting, which is another comprehensive basis of accounting other than general accepted accounting principles. The accounting policies are prescribed by the Oklahoma Department of Education and conform to the system of accounting authorized by the State of Oklahoma.

The District's basic financial statements include both government-wide (reporting the District as a whole), including a statement of net position and a statement of activities, and fund financial statements (reporting the District's major funds), which provide a more detailed level of financial information. 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.

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information on all of the nonfiduciary activities of the District.

The Statement of Activities and Changes in Net Position demonstrates the degree to which the direct expenses of a given function or activities are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or activity. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Miami School District No. I-23
Ottawa County, Oklahoma
Notes to the Financial Statements
June 30, 2015

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (continued)

The Government-Wide Financial Statements are prepared using the accrual basis of accounting. The Government-Wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

Fund Financial Statements

The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances are also provided for all of the governmental funds of the District. The District's major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported separately from governmental funds.

Fund Accounting - The accounts of the District are organized and operated on the basis of funds and account groups. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The two categories of funds are governmental and fiduciary.

Governmental Funds - are used to account for most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). Governmental fund types use the Regulatory (Statutory) basis of accounting, which is primarily cash receipts and disbursements with certain modifications as required by the regulations of the Oklahoma State Department of Education. If the District utilized the basis of accounting recognized as generally accepted, the governmental funds would use the modified accrual basis of accounting based on the flow of current financial resources measurement focus recognizing revenues when susceptible to accrual (i.e., when they become measurable and available, normally considered available if collected within 60 days of the end of the current fiscal period). As a result, Ad valorem taxes on real and personal property associated with the current fiscal period and all other revenue items as recorded as revenues when collected rather than when "measurable" and "available". Entitlements, grants and shared revenues are recorded at the time of receipt. Expenditures are generally recognized when encumbered or reserved rather than at the time the related liability is incurred. Unmatured interest for debt service is recognized when due and certain compensated absences and claims and judgements which are recognized when the obligations are expended to be liquidated with expendable available financial resources. Fiduciary type funds are accounted for using the cash basis of accounting. These practices differ from accounting principles generally accepted in the United States of America.

The following are the District's major governmental funds:

General Fund - is the general operating fund of the District. It accounts for all financial resources of the District, except those required to be accounted for in another fund. This is a budgeted fund, and any fund balances are considered as resources available for use. Major revenue sources include local property taxes and federal and state funding. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The General Fund also accounts for federal and state financed programs where restricted monies must be expended for specific programs. Project accounting is employed to maintain integrity for the various sources of these funds.

Miami School District No. I-23
Ottawa County, Oklahoma
Notes to the Financial Statements
June 30, 2015

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (continued)

Building Fund - The Building Fund consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.

Other governmental funds of the District that are considered non-major funds include:

Debt Service Fund - is the District's Sinking Fund and accounts for the accumulation of financial resources for servicing of general long-term debt (principal, interest and related costs). This is a budgeted fund. The primary revenue sources are local property taxes levied for debt service.

Capital Projects Fund – is the District's Bond Fund and is used to account for the proceeds of bond sales used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, acquisition of technical equipment and acquiring transportation equipment.

Special Revenue Funds - account for revenue sources that are restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The special revenue funds are composed of the District's Child Nutrition Fund. These are budgeted funds and any fund balances are considered as resources available for use.

Child Nutrition Fund - consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the operations of the school cafeteria.

Fiduciary Funds - are used to account for assets held by the District in a trustee capacity or as an agent on behalf of others.

Agency Fund - is custodial in nature and does not present results of operations. Agency Funds are accounted for using the cash basis of accounting. This fund is the School Activities Fund which is used to account for monies collected principally through fund raising efforts of the students and District-sponsored groups. This is not a budgeted fund. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds. These funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operation of the District.

Miami School District No. I-23
Ottawa County, Oklahoma
Notes to the Financial Statements
June 30, 2015

I. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Fund Balance, Revenue and Expenditures (continued)

1. Deposits and Investments

State statutes govern the District's investment policy. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. Investments are stated at cost. The District invests entirely in certificates of deposit, U.S. Treasury Securities, and participates in the Secured Investment Program of Oklahoma State School Boards Association, as authorized by Oklahoma Statutes Title 62, Section 348.

2. Fair Value of Financial Instruments

The District's financial instruments include cash and investments. The District's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

3. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

4. Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers.

5. Inventories

The value of consumable inventories at June 30, 2015, is not material to the financial statements. Acquisitions are considered expenditures at the time of purchase and are not recorded for financial statement purposes.

6. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the Government-Wide Financial Statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are reported at estimated fair market value at the date of donation.

Miami School District No. I-23
Ottawa County, Oklahoma
Notes to the Financial Statements
June 30, 2015

I. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Fund Balance, Revenue and Expenditures (continued)

6. Capital Assets (continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives: buildings and improvements (15-60 years); transportation equipment (5-15 years); equipment (5-15 years).

7. Compensated Absences

The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. District policy allows personnel to accumulate or bank such days to a maximum of days. Upon retirement, sick leave is paid out to the employee based on the number of unused sick days within the current year plus the amount of sick days that have accumulated up to the maximum of 180 days. The rate in which the employee is compensated for the unused sick days is equal to $20.00 for each full day. Accrued vacation and sick leave benefits are not reflected in the financial statements because such statements are prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

8. Long-Term Obligations

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position.

9. Net Position/Fund Balances

In the government-wide financial statement, net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws or other governments, or are imposed by law through constitutional provisions or enabling legislation.

In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints places on the use of resources for specific purposed versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *nonspendable* (i.e, fund balance associated with assets that are not in spendable form, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund)) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

Miami School District No. I-23
Ottawa County, Oklahoma
Notes to the Financial Statements
June 30, 2015

I. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Fund Balance, Revenue and Expenditures (continued)

9. Net Position/Fund Balances (continued)

Amounts in the *spendable* fund balance category are further classified as *restricted, committed, assigned* or *unassigned*, as appropriate.

Restricted fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors, or laws and regulations of other governments; or by law through constitutional provision or enabling legislation.

Committed fund balance represents amounts that are usable only for specific purposes by formal action of the government's highest level of decision making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes by taking action similar to that which imposed the commitment. The District's Board of Education is the highest level of decision making authority of the District.

Assigned fund balance represents amounts that are *intended* to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances includes all remaining spendable amounts (except negative balances) that are reported in governmental funds *other than the general fund*, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.

Unassigned fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

10. Property Taxes and Other Local 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. Property taxes are levied on November 1 and are due on receipt of the tax bill. 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 2. Second half taxes become delinquent on April 1 of the year following the assessment. If not paid by the following October 1, the property is offered for sale for the amount of the 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. No provision has been made for uncollected taxes, as all taxes are deemed collectible. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

11. Intermediate Revenues

Revenue from intermediate sources is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the district and the state, and distributed to districts in amounts that differ in proportion to those which were collected within such systems.

Miami School District No. I-23
Ottawa County, Oklahoma
Notes to the Financial Statements
June 30, 2015

I. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Fund Balance, Revenue and Expenditures (continued)

12. State Revenues

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 program 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.

Revenues from state sources for current operations are primarily governed by state aid formula under the provisions of 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.

13. Federal Revenues

Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a pass through from another government, such as the state. Entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes. The majority of federal revenues received by the District are apportioned to the general fund. The district maintains a separate child nutrition fund and the federal revenues received for the child nutrition programs are apportioned there.

14. Non-Monetary Resources

The District receives commodities from the U.S. Department of Agriculture. The value of these commodities have been included in the Schedule of Expenditures of Federal Awards.

15. Resource Use Policy

It is in the District's policy for all funds that when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources, including fund balances, are available, the District considers the restricted amounts to be spent first before any unrestricted amounts are used. Furthermore, it is the District's policy that when an expenditure/expense is incurred for purposes for which committed, assigned or unassigned resources, including fund balances, are available, the District considers committed, amounts to be spent first, followed by assigned amounts, and lastly, unassigned amounts.

Miami School District No. I-23
Ottawa County, Oklahoma
Notes to the Financial Statements
June 30, 2015

II. Detailed Notes Concerning the Funds

A. Deposits and Investments

Custodial Credit Risk: At June 30, 2015, the District held deposits of approximately $6,670,423 at financial institutions. The District's cash deposits, including interest-bearing certificated of deposit, were entirely covered by the Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the District or by its agent in the District's name.

Investment Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk: The District has no policy that limits its investment choices other than the limitation of State law as follows:

a. Direct obligations of the U.S. Government , its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
b. Certificates of deposits or savings accounts that are either insured or secured with the acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgements, or bond revenue anticipation noted of the public trusts whose beneficiary is a county, municipality or school district.
e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and the obligations of the National Mortgage Association.
f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a-d).

The cash and investments held at June 30, 2015 are as follows:

Type	Market Value	Cost
Cash in Bank	$ 6,630,422.56	$ 6,630,422.56
Investments		
CD	40,000.00	40,000.00
Total Investments	$ 6,670,422.56	$ 6,670,422.56

Concentration of Investment Risk

The District places no limit on the amount it may invest in any one issuer. The District has the following credit risk: 99% Cash in Bank ($6,630,422.56) and 1% Certificates of Deposit .

Miami School District No. I-23
Ottawa County, Oklahoma
Notes to the Financial Statements
June 30, 2015

B. Changes in Capital Assets

Primary Government capital asset activity for the year ended is as follows:

Governmental Activities:	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Non-Depreciable Assets				
Land	$ 1,306,009.20	$ -	$ -	$ 1,306,009.20
Construction in Progress	278,244.90	4,753.00	(282,997.90)	-
Total Non-Depreciable Assets	1,584,254.10	4,753.00	(282,997.90)	1,306,009.20
Depreciable Assets				
Buildings and Improvements	37,513,129.01	282,997.90	-	37,796,126.91
Transportation Equipment	1,733,022.00	113,087.00	-	1,846,109.00
Equipment	170,836.16	-	-	170,836.16
Total Depreciable Assets	39,416,987.17	396,084.90	-	39,813,072.07
Less Accumulated Depreciation	(25,124,056.40)	(835,864.67)	-	(25,959,921.07)
Net Depreciable Assets	14,292,930.77	(439,779.77)	-	13,853,151.00
Net Governmental Activities Capital Assets	$ 15,877,184.87	$ (435,026.77)	$ (282,997.90)	$ 15,159,160.20

C. Long-Term Debt

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. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

The District issued building bonds in the amount of $1,700,000 on July 1, 2013. The bond maturities begin July 1, 2015, with the first payment in the amount of $500,000 and increments of $600,000 per year.

	General Obligation Bonds			Total
Year Ended June 30,	Rate	Principal	Interest	Requirements
2017	0.500%	$ 600,000.00	$ 5,100.00	$ 605,100.00
2018	0.600%	600,000.00	1,800.00	601,800.00
Totals		$ 1,200,000.00	$ 6,900.00	$ 1,206,900.00

Miami School District No. I-23
Ottawa County, Oklahoma
Notes to the Financial Statements
June 30, 2015

II. Detailed Notes Concerning the Funds (continued)

C. Long-Term Debt (continued)

D. Leases

The District executed a lease to purchase band equipment on January 17, 2012. The amount of the lease is $53,166.00 with a stated interest rate of 5.00%, payable in semi-annual installments of $9,660.34 beginning July 23, 2012 with a final payment of $9,660.32 due on or before January 23, 2015. This lease was paid off during the current year.

III. Other Information

A. 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; injuries to employees; or acts of God. The District is a member of Oklahoma Schools Insurance Group (OSIG) and purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. The District and all other OSIG members had the following insurance coverage during the year: commercial property-$53,114,159; general liability - $1,000,000; and educators liability- $1,000,000. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The District also participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the District reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma.

In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to them during the plan year. As a member of OSAG, the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the District's losses for the last five years. OSAG provides coverage in excess of the loss fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use their loss fund in three years it is returned to them with no interest.

The District is also a member of the Oklahoma Public Schools Unemployment Compensation Account (OPSUCPA). In this program the District is required to maintain a minimum finding level for unemployment insurance. At June 30, 2015, the District had $19,000 in deposits with the OPSUCA and had claims in 2014-2015 totaling $8,223.51. The funds for each district are kept separate and districts can contribute more of their payroll if they elect to. The money contributed by each District earns interest and is fully insured. If the District has claims in excess of the amount in their account they would be liable for the excess.

Miami School District No. I-23
Ottawa County, Oklahoma
Notes to the Financial Statements
June 30, 2015

III. Other Information (continued)

B. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

C. Non-Monetary Transactions

The fair market value as determined by the Oklahoma Department of Human Services of the commodities received during the period under audit was $67,615.09.

D. Employee Retirement System and Plan

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is cost-sharing, multiple-employer defined benefit public employee retirement system (PERS) administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, OK 73152 or by calling (405) 521-2387.

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma, and the participating employee may make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation.

Miami School District No. I-23
Ottawa County, Oklahoma
Notes to the Financial Statements
June 30, 2015

III. Other Information (continued)

D. Employee Retirement System and Plan (continued)

Funding Policy (continued)

Additionally, OTRS receives "federal matching contributions" for the positions whose funding comes from federal sources or certain grants. The District and State are required to contribute 14% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenues from sales taxes, use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% and the State of Oklahoma plus federal contribution contributed the remaining 4.5% during the year. The combined state and local rate will stabilize at 14%. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. In addition, the District is required to pay 16.5% for any compensated retired teachers already receiving retirement benefits.

Annual Pension Cost

The District's total contributions for 2015, 2014, and 2013 were $969,036, $983,512, and $975,041, respectively.

Schedule of Funding Progress (dollars in millions)

Actuarial Valuation Date	Actuarial Value of Assets (AVA)(a)	Actuarial Accrued Liability (AAL)(b)	Unfunded Actuarial Accrued Liability (UAAL)(b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll (b-a)/(c)
6/30/2005	6,952.7	14,052.4	7,099.7	49.5%	3,175.2	223.6%
6/30/2006	7,470.4	15,143.4	7,672.9	49.3%	3,354.9	228.7%
6/30/2007	8,421.9	16,024.4	7,602.5	52.6%	3,598.9	211.2%
6/30/2008	9,256.8	18,346.9	9,090.1	50.5%	3,741.4	242.3%
6/30/2009	9,439.0	18,950.9	9,512.0	49.8%	3,807.9	249.8%
6/30/2010	9,566.7	19,980.6	10,414.0	47.9%	3,854.8	270.2%
6/30/2011	9,960.6	17,560.8	7,600.2	56.7%	3,773.3	201.4%
6/30/2012	10,190.5	18,588.0	8,397.6	54.8%	3,924.8	214.0%
6/30/2013	10,861.1	18,973.2	8,112.1	57.2%	3,933.1	203.3%
6/30/2014	14,229.5	19,646.6	5,417.1	72.4%	4,304.3	125.9%

Note: Dollar amounts in millions

Miami School District No. I-23
Ottawa County, Oklahoma
Notes to the Financial Statements
June 30, 2015

III. Other Information (continued)

E. Surety Bonds

The Superintendent is bonded by Travelers Casualty and Surety Company, bond number 105309821, for the sum of $100,000 for the term July 1, 2014 to June 30, 2015.

The Treasurer/Payroll Clerk is bonded by Travelers Casualty and Surety Company, bond number 106300869, for the sum of $500,000 for the term April 21, 2015 to June 30, 2016.

The Encumbrance Clerk, Activity Fund Custodian, and the Minutes Clerk are bonded by Travelers Casualty and Surety Company, bond number 101155955, for the sum of $2,000 each for the term November 10, 2014 to November 10, 2015.

IV. Subsequent Events

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued and have determined that the no additional needs to be added to the financial statements

V. Prior Period Adjustments

A prior period adjustment was made to the Child Nutrition Fund to show a change in prior year reserves and fund balance. The beginning reserve balance of $21,280.70 , per the budget, was increased in the amount of $37,728.43 for additional 2013-14 obligations to $58,937.13 and carryover fund balance was reduced to $364,759.62.

OTHER INFORMATION

Miami School District No. I-23
Ottawa County, Oklahoma
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual -
Budgetary Basis - General Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Local Sources	$ 1,954,032.07	$ 1,954,032.07	$ 2,236,874.32	$ 282,842.25
Intermediate Sources	255,096.28	255,096.28	317,796.81	62,700.53
State Sources	11,919,621.83	11,919,621.83	11,979,486.60	59,864.77
Federal Sources	1,602,771.66	1,602,771.66	1,733,353.67	130,582.01
Total Revenues	15,731,521.84	15,731,521.84	16,267,511.40	535,989.56
Expenditures:				
Instruction	10,000,000.00	10,114,787.46	10,005,390.04	109,397.42
Support Services	6,159,098.66	6,557,968.20	6,383,019.32	174,948.88
Other Outlays	266,219.00	270,265.67	237,473.85	32,791.82
Other Uses	1,800,500.00	1,282,796.33	435.99	1,282,360.34
Total Expenditures	18,225,817.66	18,225,817.66	16,626,319.20	1,599,498.46
Excess (Deficit) of Revenues Collected Over (Under) Expenditures Paid	(2,494,295.82)	(2,494,295.82)	(358,807.80)	2,135,488.02
Prior Year Encumbrances Appropriated	-	-	367,159.97	367,159.97
Prior Year Estopped Warrants	-	-	1,321.48	1,321.48
	-	-	368,481.45	368,481.45
Net Change in Fund Balance	(2,494,295.82)	(2,494,295.82)	9,673.65	2,503,969.47
Fund Balance Beginning of Year	2,494,295.82	2,494,295.82	2,494,295.82	-
Fund Balance End of Year	$ -	$ -	$ 2,503,969.47	$ 2,503,969.47

Miami School District No. I-23
Ottawa County, Oklahoma
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual -
Budgetary Basis - Building Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Favorable (Unfavorable)
Revenues:				
Local Sources	$ 278,147.44	$ 278,147.44	$ 298,496.49	$ 20,349.05
Expenditures:				
Support Services	132,375.90	132,375.90	132,375.90	-
Capital Outlay	-	-	-	-
Other Uses	1,737,678.29	1,737,678.29	-	1,737,678.29
Total Expenditures	1,870,054.19	1,870,054.19	132,375.90	1,737,678.29
Excess (Deficit) of Revenues Collected Over (Under) Expenditures Paid	(1,591,906.75)	(1,591,906.75)	166,120.59	1,758,027.34
Prior Year Encumbrances Appropriated	-	-	2,751.70	2,751.70
	-	-		
Net Change in Fund Balance			168,872.29	1,760,779.04
Fund Balance Beginning of Year	1,591,906.75	1,591,906.75	1,591,906.75	-
Fund Balance End of Year	$ -	$ -	$ 1,760,779.04	$ 1,760,779.04

Miami School District No. I-23
Notes to the Budgetary Information
For the Fiscal Year Ended June 30, 2015

BUDGETARY INFORMATION

The District is required by state law to prepare an annual Estimate of Needs.The annual Estimate of Needs is then approved by the Board and subsequently filed with the County Clerk and approved by the County Excise Board. Supplemental appropriations can be made during the year.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all Governmental Funds of the District. Purchase orders or contracts document encumbrances for goods or purchased services. Under Oklahoma law, unencumbered appropriations lapse at year-end.

Miami School District No. I-23
Ottawa County, Oklahoma
Non-Major Governmental Funds
Combining Balance Sheet (Regulatory Basis)
June 30, 2015

	Child Nutrition	Debt Service Fund	Capital Project Nutrition	Total Non Major Funds
ASSETS				
Cash and Cash Equivalents	$ 340,212.36	$ 79,296.60	$ 29,469.30	$ 448,978.26
LIABILITIES AND FUND BALANCE				
Liabilities:				
Warrants Payable	$ 49,803.40	$ -	$ -	$ 49,803.40
Encumbrances	113,199.65	-	-	113,199.65
Total Liabilities	163,003.05	-	-	163,003.05
Fund Balance:				
Restricted to:				
Child Nutrition	177,209.31	-	-	177,209.31
Debt Service	-	79,296.60	-	79,296.60
Capital Project	-	-	29,469.30	29,469.30
Total Fund Balance	177,209.31	79,296.60	29,469.30	285,975.21
Total Liabilities and Fund Balance	$ 340,212.36	$ 79,296.60	$ 29,469.30	$ 448,978.26

The accompanying Notes to the Financial Statements are an integral part of this statement.

Miami School District No. I-23
Ottawa County, Oklahoma
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Regulatory Basis)
For the Fiscal Year Ended June 30, 2015

	Child Nutrition	Debt Service Fund	Capital Project Fund	Total Non Major Funds
Revenues:				
Local Sources	$ 130,355.17	$ 581,101.84	$ -	$ 711,457.01
State Sources	112,970.35	-	-	112,970.35
Federal Sources	778,109.29	-	-	778,109.29
Total Revenues	1,021,434.81	581,101.84	-	1,602,536.65
Expenditures:				
Non-Instruction Services	1,239,124.20		-	1,239,124.20
Repayments	-	500,000.00	-	500,000.00
Interest	-	23,200.00	-	23,200.00
Total Expenditures	1,239,124.20	523,200.00	-	1,762,324.20
Excess (Deficit) of Revenues Over (Under) Expenditures	(217,689.39)	57,901.84	-	(159,787.55)
Adjustments to Prior Year				
Encumbrances	30,139.08	-	-	30,139.08
Prior Year Estopped Warrants	-	-	-	-
Total Prior Year Adjustments	30,139.08	-	-	30,139.08
Net Change in Fund Balance	(187,550.31)	57,901.84	-	(129,648.47)
Fund Balance Beginning of Year	364,759.62	21,394.76	29,469.30	415,623.68
Fund Balance End of Year	$ 177,209.31	$ 79,296.60	$ 29,469.30	$ 285,975.21

The accompanying Notes to the Financial Statements are an integral part of this statement.

Miami School District No. I-23
Schedule of Expenditure of Federal Awards
For the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grantor's Number	Approved Amount	Balance at July 1, 2014	Receipts	Federal Expenditures	Receivables / (Payables) Balance at June 30, 2015
U.S. Department of Education							
Direct Programs:							
Title VII, Part A - Indian Education	84.060	561	166,560.74	167,643.00	330,997.00	163,354.00	-
Passed Through State Department of Education:							
Title I, Part A - Improving Basic Programs	84.010	511	644,144.80	686,712.15	686,712.15	521,755.33	521,755.33
Title I, Part D - Neglected and Delinquent	84.013	532	69,755.07	48,648.95	48,648.95	51,163.91	51,163.91
IDEA-B - Flowthrough	84.027	621	506,795.96	464,891.12	464,891.12	484,171.67	484,171.67
IDEA-B Preschool	84.173	641	12,973.02	4,384.80	4,384.80	12,973.02	12,973.02
Title II, Part A - Teacher and Principal Training and Recruiting Fund	84.367	541	262,330.59	74,363.54	102,183.70	101,503.21	73,683.05
Title VI, Subpart 2 - SRSAG	84.358B	587	59,474.90	25,818.89	25,818.09	49,727.08	49,727.88
Passed Through Oklahoma Department of Vocational Education:							
Rehabilitative Services			-	145.00	7,273.86	7,128.86	-
Carl Perkins Programs	84.048	421	31,581.62	32,175.00	32,175.00	31,581.62	31,581.62
Total U.S. Department of Education			$ 1,753,616.70	$ 1,504,782.45	$ 1,703,084.67	$ 1,423,358.70	$ 1,225,056.48
U.S. Department of Agriculture							
Passed Through State Department of Education:							
National School Breakfast Program	10.553	764	$ N/A	$ (89,327.68)	$ 201,767.93	$ 153,645.73	$ (137,449.88)
National School Lunch Program	10.555	763	N/A	(186,174.34)	576,341.36	794,816.98	32,301.28
Passed Through Department of Health & Human Services							
Commodities - Note B	10.550	385	N/A	-	67,615.09	67,615.09	-
Total U.S. Department of Agriculture			-	(275,502.02)	845,724.38	1,016,077.80	(105,148.60)
Other Federal Assistance							
Johnson O'Malley Program	15.130	563	55,250.41	30,269.00	30,269.00	42,818.00	42,818.00
Total Other Federal			$ -	$ -	$ -	$ -	$ -
TOTAL FEDERAL ASSISTANCE			$ 1,808,867.11	$ 1,259,549.43	$ 2,579,078.05	$ 2,482,254.50	$ 1,162,725.88

Continued on next page

Miami School District No. I-23
Schedule of Expenditure of Federal Awards
For the Fiscal Year Ended June 30, 2015
(continued)

Note A - This schedule was prepared on the accrual basis of accounting consistent with the preparation of the basic financial statements except for nonmonetary assistance noted in Note B.

Note B – Food Distribution: Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

OTHER DEPARTMENT OF EDUCATION REQUIRED INFORMATION

Miami School District No. I-23
Schedule of Accountant's Professional Liability Insurance Affidavit
For the Fiscal Year Ended June 30, 2015

State of Oklahoma)
)ss
County of Craig)

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 Miami Public Schools for the audit year 2014-2015.

Turner & Associates, PLC

Auditing Firm

by Brian W. Turner

Authorized Agent

Subscribed and sworn to before me this 8th day of March, 2016.

Notary Public Shirley J Turner

My Commission Expires:

5th day of March, 2018

My Commission Number:

02001872

SHIRLEY J. TURNER NOTARY PUBLIC IN AND FOR STATE OF OKLAHOMA CRAIG COUNTY

AUDIT ACKNOWLEDGEMNT

Miami School District No. I-23
Ottawa County, Oklahoma
June 30, 2015

The annual independent audit for Miami School District was presented to the Board of Education in a Special Board meeting on 3-24-16 by Bill W. Turner, CPA for Turner & Associates, PLC.

The Board (as the governing body of the school district) acknowledges responsibility for the district's financial statements, internal controls and compliance with the law and regulations and the audit findings and exceptions that have been presented.

A copy of the audit, including this acknowledgement form, will be sent to the Oklahoma State Department of Education and the within 30 days from its presentation, as stated in 70 O.S. § 22-108:

"The local board of education shall forward a copy of the audit report to the State Board of Education within thirty (30) days after receipt of the audit."

Superintendent of Schools

Board of Education President

Board of Education Vice President

Board of Education Clerk

Board of Education Member

Board of Education Member

Notary

Subscribed and sworn before me on this 3-24-16 My Commission expires on the 26 day of Sept., 2019

OFFICIAL SEAL
MARTHA BUTTRAM
NOTARY PUBLIC OKLAHOMA
OTTAWA COUNTY
COMM. NO. 11008817 EXP. 09-26-19