

***ARDMORE SCHOOL DISTRICT I-19***

***Carter County, Oklahoma***

Financial Statements

Year-End June 30, 2015

RHJ

ARDMORE SCHOOL DISTRICT NO. I-19  
 Carter County, Oklahoma  
 Table of Contents  
 June 30, 2015

	<b>Page</b>
<b>Independent Auditor’s Report</b> .....	1
<b>Management’s Discussion and Analysis (Unaudited)</b> .....	4
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Position – Regulatory Basis .....	16
Statement of Activities– Regulatory Basis.....	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds – Regulatory Basis .....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis .....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis to the Statement of Activities – Regulatory Basis.....	20
Notes to the Financial Statements .....	21
<b>Other Information</b>	
Budgetary Comparison Schedule – General Fund (Unaudited) .....	40
Budgetary Comparison Schedule – Building Fund (Unaudited).....	41
Budgetary Comparison Schedule – Sinking Fund (Unaudited) .....	42
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Regulatory Basis - Other Governmental Funds.....	43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances– Regulatory Basis - Other Governmental Funds .....	44
Combining Statement of Assets and Fund Balances – Activity Fund .....	45
Schedule of Expenditures of Federal Awards .....	48
Notes to Schedule of Expenditures of Federal Awards .....	50
<b>Government Auditing Standards Section</b>	
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i> .....	51
<b>Single Audit Section</b>	
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Controls over Compliance Required by OMB Circular A-133 .....	53
Schedule of Findings and Questioned Costs .....	50
Summary Schedule of Prior Year Findings.....	55
<b>Other Oklahoma Department of Education Requirements</b>	
Statement of Statutory Fidelity and Honesty Bonds (Unaudited).....	59
Schedule of Accountant’s Professional Liability and Insurance (Unaudited) .....	60



## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Ardmore School District No. I-19, Carter County, Oklahoma  
Ardmore, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information Ardmore School District No. I-19, Carter County, Oklahoma, as of and for June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed by the Oklahoma State Department of Education; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### **Auditor's Responsibility**

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

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

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

**100 E Street S.W., Suite 200 | Ardmore, OK 73401**

Telephone (580) 223-6454 | FAX 1-800-858-9329

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

As described in Note 1, the financial statements are prepared by Ardmore School District No. I-19, Carter County, Oklahoma, on the basis of the financial reporting provisions of 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 Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Ardmore School District No. I-19, Carter County, Oklahoma, as of June 30, 2015, the changes in its financial position for the year then ended.

## **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position on a regulatory basis of governmental activities, each major fund and the aggregate remaining fund information on a regulatory basis of Ardmore School District No. I-19, Carter County, Oklahoma, as of June 30, 2015, and the respective changes in financial position on a regulatory basis for the year then ended, on the basis of the financial reporting provisions of Oklahoma State Department of Education as 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 Ardmore School District No. I-19, Carter County, Oklahoma’s financial statements as a whole. The management discussion and analysis, budgetary comparison schedules, combining nonmajor fund financial statements, statement of changes in activity fund subaccounts and other information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is also not a required part of the financial statements.

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

The Oklahoma Department of Education requires management discussion and analysis, budgetary information, statement of statutory fidelity and honesty bonds and schedule of accountant’s professional liability insurance be presented to supplement the financial statements. Such information,

although not considered part of the basic financial statements, is required by the Oklahoma Department of Education, who considers it an essential part of the financial reporting. We have applied certain limited procedures to this supplemental information which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2016 on our consideration of the Ardmore School District No. I-19, Carter County, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ardmore School District No. I-19, Carter County, Oklahoma's internal control over financial reporting and compliance.

*Rahhal Henderson Johnson, PLLC*

Ardmore, Oklahoma

March 28, 2016

**ARDMORE SCHOOL DISTRICT NO. I-19**  
**Management's Discussion and Analysis**  
**June 30, 2015**  
**(UNAUDITED)**

As management of the Ardmore School District No. I-19, Carter County, Oklahoma (the "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. We encourage readers to consider the information presented here. The basic financial statements include government-wide financial statements and fund financial statements. For a further understanding of the difference between these financial statements, a detailed discussion is provided on page 20.

**Financial Highlights**

With respect to the government-wide financial statements:

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$31,718,386 (*net position*), which is an increase of \$3,486,847 from the prior year. Of the amount at June 30, 2015, \$4,089,420 (*unrestricted net position*) may be used to meet the entity's ongoing obligations to citizens and creditors.

With respect to the fund financial statements:

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$25,227,679, a decrease of \$1,247,040 from the prior year.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,635,536.

Other highlights:

In January 2015, the final payment was issued against the lease revenue bond agreement with the Ardmore Community Facilities Authority. In February 2015 and March 2015, the District received \$1,026,960 and \$76, respectively, distributions of excess sales tax revenues from the Ardmore Community Facilities Authority. This distribution is reflected in the Sales Tax Fund and is restricted by the original sales tax agreement dated February 1, 2005, for the purpose of financing the acquisition, construction, furnishing and equipping of educational facilities and for other educational functions.

In May 2014, the District applied through the Oklahoma Department of Education and was approved for the Community Eligibility Provision, which is a program through the USDA that allows schools that have 40% or higher directly certified free students to offer 100% of their students free meals. This program became effective for the 2014-2015 school year.

**ARDMORE SCHOOL DISTRICT NO. I-19**  
**Management's Discussion and Analysis**  
**June 30, 2015**  
**(UNAUDITED)**

**Financial Highlights (continued)**

The District's largest taxpayer reached a settlement with the Carter County Assessor as to their 2013 and 2014 Ad Valorem tax assessments. The District collected \$1,056,301 Ad Valorem taxes related to the 2013 tax year in November 2014.

The Jefferson Elementary Addition and Renovation bond project was completed in October 2014.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the entity's basic financial statements. The District's basic financial statements comprise 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 in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* include the statement of net position – regulatory basis and the statement of activities – regulatory basis and 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 – regulatory basis* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases 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 – regulatory basis* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported using the regulatory basis of accounting whereby revenues represent cash receipts collected by June 30<sup>th</sup> and expenditures represent cash disbursements modified by encumbrances, investments, inventories, capital assets, depreciation, and long-term debt.

The governmental activities of the District include instruction, supporting services, non-instruction services, capital outlay, and other outlays. These functions are principally supported by State of Oklahoma appropriations, grants and fees.

The government-wide financial statements can be found on pages 16-17 of this report.

**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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District only has governmental funds.

**ARDMORE SCHOOL DISTRICT NO. I-19**  
**Management's Discussion and Analysis**  
**June 30, 2015**  
**(UNAUDITED)**

**Overview of the Financial Statements (Continued)**

**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 fund financial statements focus on cash collections and encumbrances, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating 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 impact of the government's near-term financing decisions. Both the governmental fund balance sheet – regulatory basis and the governmental fund statement of revenues, expenditures, and changes in fund balances – regulatory basis provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Building Fund, Sinking Fund, Sales Tax Fund, and CCPFA Bond Fund which are considered to be major funds. Data from the other nine governmental funds are combined into an aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund, building fund, child nutrition fund, coop fund, and sinking fund. A budgetary comparison statement has been provided for the general fund and all major funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-20 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 20-38 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *other information* concerning the District's budget to actual schedules on major governmental funds, combining and individual fund statements and schedules. Other information can be found on pages 40-42 and pages 43-44 of this report.



**ARDMORE SCHOOL DISTRICT NO. I-19**  
**Management's Discussion and Analysis**  
**June 30, 2015**  
**(UNAUDITED)**

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$31,718,386 at the close of the most recent fiscal year, as shown below.

**The District's Net Position**

	Governmental Activities	
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 15,202,328	\$ 9,824,358
Restricted Cash	12,333,090	20,526,452
Investments	37,666	37,666
Capital Assets:		
Land and Construction in Progress	7,056,324	2,573,816
Other Capital Assets, Net of Depreciation	<u>27,379,383</u>	<u>25,150,040</u>
<b>Total Assets</b>	<b><u>\$ 62,008,791</u></b>	<b><u>\$ 58,112,332</u></b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Warrants Payable	\$ 1,832,785	\$ 1,634,787
Reserve for Encumbrances	512,620	831,006
<b>Long-Term Liabilities</b>		
Due within one year	3,880,000	1,545,000
Due in more than one year	<u>24,065,000</u>	<u>25,870,000</u>
<b>Total Liabilities</b>	<b><u>\$ 30,290,405</u></b>	<b><u>\$ 29,880,793</u></b>
<b>Net Position</b>		
Invested in Capital Assets	22,466,248	24,395,799
Restricted	5,162,718	2,017,817
Unrestricted	<u>4,089,420</u>	<u>1,817,923</u>
<b>Total Net Position</b>	<b><u>\$ 31,718,386</u></b>	<b><u>\$ 28,231,539</u></b>

The District's Cash and Cash Equivalents increased by \$5,377,970 primarily due to the unspent balance (\$2,049,972) of general obligation bonds issued in 2015, collection of a significant 2013 ad valorem tax settlement (\$1,056,301), and new sinking fund collections (\$1,853,837).

**ARDMORE SCHOOL DISTRICT NO. I-19**  
**Management's Discussion and Analysis**  
**June 30, 2015**  
**(UNAUDITED)**

**Government-wide Financial Analysis (Continued)**

Restricted Cash of \$12,333,090 consists of unused cash from the advanced lease revenue bonds from the Carter County Public Facilities Authority (CCPFA).

Construction in Progress of \$6,613,674 includes the following site building and improvement projects:

Charles Evans Elementary Gymatorium	\$ 1,199,451
Lincoln Elementary New Construction	5,174,420
Will Rogers Elementary Addition	229,253
Ardmore High School Track Improvements	<u>10,550</u>
	<u>\$ 6,613,674</u>

Long-Term Liabilities include \$8,245,000 of general obligation bonds and \$19,700,000 of advanced lease revenue bonds from the Carter County Public Facilities Authority (CCPFA). These liabilities were incurred for the purpose of constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites. These financing arrangements are described in Notes VI and X of the footnotes.

**ARDMORE SCHOOL DISTRICT NO. I-19**  
**Management's Discussion and Analysis**  
**June 30, 2015**  
**(UNAUDITED)**

**Government-wide Financial Analysis (Continued)**

**Governmental activities.** Governmental activities increased the District's net position by \$3,486,847. Key elements of this decrease are shown below.

**The District's Changes in Net Position**

	Governmental Activities	
	Year Ended	
	June 30, 2015	June 30, 2014
Primary Government		
Program Revenues:		
Charges for Services	\$ 1,124,523	\$ 1,309,893
Operating Grants and Contributions	6,421,595	6,867,903
Capital Grants and Contributions	25,971	-
Total Program Revenues	<u>\$ 7,572,089</u>	<u>\$ 8,177,796</u>
General Revenues:		
Taxes:		
Property Taxes, levied for general purposes	\$ 6,410,487	\$ 4,527,834
Property Taxes, levied for building purposes	916,039	647,014
Property Taxes, levied for sinking fund purposes	1,873,142	82
General Taxes	3,836,816	4,020,546
Investment Earnings	147,624	143,297
State Aid - Noncategorical	10,057,270	8,102,037
Miscellaneous	497,752	303,635
Total General Revenues	<u>\$ 23,739,130</u>	<u>\$ 17,744,445</u>
Total Revenues	<u>\$ 31,311,219</u>	<u>\$ 25,922,241</u>
Governmental Activities		
Expenses:		
Instruction	12,787,852	13,237,024
Support Services	11,967,340	11,731,883
Operation of Noninstructional Services	2,268,537	2,228,316
Facilities Acquisition & Construction Services	6,048	98,016
Scholarships, Awards, & Other	15,411	4,100
Interest on Long-Term Debt	775,568	389,295
Other Expenses and Refunds	3,616	874,290
Total Expenses	<u>27,824,372</u>	<u>28,562,924</u>
Increase (Decrease) In Net Position	3,486,847	(2,640,683)
Net Position - Beginning, as Restated	<u>28,231,539</u>	<u>30,872,222</u>
Net Position, Ending	<u>\$ 31,718,386</u>	<u>\$ 28,231,539</u>

**ARDMORE SCHOOL DISTRICT NO. I-19**  
**Management's Discussion and Analysis**  
**June 30, 2015**  
**(UNAUDITED)**

**Government-wide Financial Analysis (Continued)**

The District's Operating Grants and Contributions had a net decrease of \$446,308 during the year ended June 30, 2015, due primarily to the termination of the Carter County sales tax attributable to the ACFA lease revenue bonds in November 2014, resulting in decreased Carter County sales tax collections of \$542,640. The remaining difference is primarily due to the timing of federal claim reimbursements.

Property taxes levied for general purposes increased \$1,882,653 during the year ended June 30, 2015, primarily attributable to the collection of large 2013 and 2014 tax settlements in the amount of \$1,788,634.

Property taxes levied for building purposes increased \$269,025 during the year ended June 30, 2015, primarily attributable to the collection of large 2013 and 2014 tax settlements in the amount of \$255,590.

Property taxes levied for sinking fund purposes increased \$1,873,060 during the year ended June 30, 2015, due to the first tax levy related to outstanding general obligation bonds.

General taxes decreased \$183,730 primarily due to \$264,853 reduction in Gross Production Taxes which was offset by the collection of large 2013 and 2014 tax settlements in the amount of \$68,378.

State Aid – Noncategorical revenues increased \$1,955,233 primarily due to large 2013 tax protests in the amount of \$1,595,696 which decreased chargeables in the state aid formula calculations.

Instruction expenses decreased \$449,172 primarily due to reduction in certified staff members resulting from scheduling changes.

Interest on Long-Term Debt of \$775,568 on long-term debt includes \$645,143 interest on the CCPFA lease revenue bonds, \$61,800 interest on the ACFA lease revenue bonds, and \$68,625 on general obligation bonds.

Other Expenses and Refunds decreased \$870,674 primarily due to the bond issuance costs paid in September 2013 associated with the \$19,700,000 CCPFA lease revenue bond issue.

**ARDMORE SCHOOL DISTRICT NO. I-19**  
**Management's Discussion and Analysis**  
**June 30, 2015**  
**(UNAUDITED)**

**Financial Analysis of the Government's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's *governmental funds* is to provide information on cash collections and encumbrances, as well as balances of spendable resources available at the end of the fiscal year. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$25,227,679, a decrease of \$1,247,040 in comparison with the prior year. This amount includes \$3,635,536, *unassigned fund balance*, which is available for spending at the District's discretion.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the general fund was \$4,089,420, of which \$453,884 was restricted by state statute, donors and external grantors.

**General Fund Budgetary Comparisons**

The District budgets conservatively. Revenues are budgeted based upon statutorily-limited amounts equaling 90% of the prior year's collections; approved millage rates for ad valorem taxes; and approved allocation amounts from federal, state, and local grantors. Expenditures and carryover are budgeted based upon the legal appropriations approved by the county excise board.

During fiscal year ended June 30, 2015, General Fund property tax revenue was \$1,378,562 less than the budgeted amount, reflecting an 18% decrease in revenues. This decrease is primarily attributable to the protested 2014 net assessed valuation by the District's largest taxpayer. This tax protest was settled in November 2014, resulting in a \$1,706,000 decrease in ad valorem tax billing.

County revenues increased \$137,379 due to county 4-mill and mortgage tax increases.

State revenues increased \$2,886,326 primarily due to the following: 1) \$146,459 increase in Motor Vehicle Taxes; 2) \$58,079 increase in School Land Earnings, and 3) \$2,519,128 increase in State Foundation and Salary Incentive Aid.

Federal revenues decreased \$519,842 primarily due to the timing of federal claim reimbursements.

**ARDMORE SCHOOL DISTRICT NO. I-19**  
**Management's Discussion and Analysis**  
**June 30, 2015**  
**(UNAUDITED)**

**General Fund Budgetary Comparisons (Continued)**

General fund actual instruction expenditures were \$2,946,824 less than budgeted instruction expenditures due to the District's conservative approach to carryover fund balance to the next fiscal year.

**Capital Asset and Debt Administration**

**Capital assets.** The District's investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$34,435,707 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, buses, vehicles, machinery and equipment, and construction in progress. The net increase in the District's capital assets for the current fiscal year was \$6,711,851).

**The District's Capital Assets**  
**(Net of Depreciation)**

	Governmental Activities	
	June 30, 2015	June 30, 2014
Land	\$ 442,650	\$ 434,650
Land Improvements	1,641,892	1,610,352
Buildings	60,010,174	57,285,903
Buses and Vehicles	2,472,380	2,472,380
Machinery and Equipment	3,542,692	2,747,234
Construction in Progress	6,613,674	2,139,166
 Total Capital Assets	 74,723,462	 66,689,685
 Accumulated Depreciation	 (40,287,755)	 (38,965,829)
 Net Capital Assets	 \$ 34,435,707	 \$ 27,723,856

Additional information on the District's capital assets can be found in Note IV on page 29 of this report.

**ARDMORE SCHOOL DISTRICT NO. I-19**  
**Management's Discussion and Analysis**  
**June 30, 2015**  
**(UNAUDITED)**

**Capital Asset and Debt Administration (Continued)**

At year-end, the District had \$27,945,000 in long-term liabilities versus \$27,415,000 last year, as shown below:

	Governmental Activities	
	June 30, 2015	June 30, 2014
Capital Leases	\$ 19,700,000	\$ 21,245,000
General Obligation Debt	8,245,000	6,170,000
Total Governmental Activity Long-Term Liabilities	\$ 27,945,000	\$ 27,415,000

Additional information on the District's long-term obligations can be found in Note V to the financial statements.

**Other Currently Known Facts, Decisions, or Conditions**

The Charles Evans Elementary Gymnasium bond project was completed in November 2015.

On September 1, 2013, the Board of Education entered into ground lease and sublease agreements with the Carter County Public Facilities Authority (CCPFA), a public trust, for the purpose of facilitating the issuance of the bonds, to provide security for payment of the bonds, and to enable the District to utilize the bond proceeds for the construction and placement of improvements on real property. The lease agreements will remain in effect to June 30, 2027. In conjunction with these lease agreements, the District will issue general obligation bonds to repay the lease. The Board of Education approved the sale of \$2,075,000 general obligation bonds in December 2015; the proceeds were received by the District on March 3, 2016.

In December 2015, the Board of Education approved the demolition of Franklin Elementary school building, one of the District's oldest facilities. The demolition was partially completed in March 2016.

In December 2015 and March 2016, the Oklahoma Secretary of Finance declared General Revenue failures which resulted in across-the-board cuts to State agencies. The District has received notification of state funding cuts totally \$419,000.

**ARDMORE SCHOOL DISTRICT NO. I-19**  
**Management's Discussion and Analysis**  
**June 30, 2015**  
**(UNAUDITED)**

**Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the entity's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ardmore School District No. I-19, Carter County, Oklahoma District, P.O. Box 1709, Ardmore, Oklahoma 73402.



---

## **BASIC FINANCIAL STATEMENTS**

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Statement of Net Position – Regulatory Basis  
June 30, 2015

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Investments	\$ 15,202,328
Restricted Cash	12,333,090
Investments	37,666
Capital Assets:	
Land and Construction in Progress	7,056,324
Other Capital Assets, net of depreciation	<u>27,379,383</u>
 Total Assets	 <u>\$ 62,008,791</u>
 <b>LIABILITIES AND NET POSITION</b>	
Current Liabilities	
Warrants Payable	1,832,785
Reserve for Encumbrances	512,620
Long -term liabilities	
Due within one year	3,880,000
Due in more than one year	<u>24,065,000</u>
 Total Liabilities	 <u>\$ 30,290,405</u>
 Net Position	
Net Investment in Capital Assets	\$ 22,466,248
Restricted for	
Building Services	2,090,300
Child Nutrition	345,240
Debt Service	1,853,837
Instructional Materials and Technology	216,068
Alternative Education	120,880
School Organizations	443,331
Scholarships	
Expendable	41,896
Nonexpendable	51,166
Unrestricted	<u>4,089,420</u>
Total Net Position	<u><u>\$ 31,718,386</u></u>

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Statement of Activities– Regulatory Basis  
For the Year Ended June 30, 2015

	Program Revenues			Capital	Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Grants and Contributions	Primary Governmental Activities	
<i>Functions/Programs</i>					
Primary Government					
Governmental Activities					
Instruction	\$ 12,787,852	\$ 395,656	\$ 1,543,012	\$ 25,971	\$ (10,823,213)
Support Services	11,967,340	243,833	2,064,969	-	(9,658,538)
Operation of Noninstructional Services	2,268,537	448,038	1,759,699	-	(60,800)
Facilities Acquisition and Construction Services	6,048	-	1,003,395	-	997,347
Scholarships, Awards and Other	15,411	-	1,250	-	(14,161)
Interest on Long-Term Debt	775,568	-	-	-	(775,568)
Other Expenses and Refunds	3,616	36,996	49,270	-	82,650
Total Governmental Activities	\$ 27,824,372	\$ 1,124,523	\$ 6,421,595	\$ 25,971	\$ (20,252,283)
General Revenues					
Taxes					
Property taxes, levied for general purposes					\$ 6,410,487
Property taxes, levied for building purposes					916,039
Property taxes, levied for sinking fund purposes					1,873,142
General Taxes					3,836,816
Investment Earnings					147,624
State Aid - Noncategorical					10,057,270
Miscellaneous					497,752
Total General Revenues					\$ 23,739,130
Change in Net Position					\$ 3,486,847
Net Position - Beginning, restated					28,231,539
Net Position - Ending					\$ 31,718,386

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Balance Sheet – Governmental Funds– Regulatory Basis  
June 30, 2015

	General Fund	Building Fund	Sinking Fund	Sales Tax Fund	CCPFA Bond Fund	Other Governmental Funds	Total
<b>Assets</b>							
Cash and Cash Investments	\$ 5,882,983	\$ 1,097,723	\$ 1,853,837	\$ 1,629,463	\$ -	\$ 4,738,322	\$ 15,202,328
Restricted Cash	-	-	-	-	12,333,090	-	12,333,090
Investments	-	-	-	-	-	37,666	37,666
<b>Total Assets</b>	<b>\$ 5,882,983</b>	<b>\$ 1,097,723</b>	<b>\$ 1,853,837</b>	<b>\$ 1,629,463</b>	<b>\$ 12,333,090</b>	<b>\$ 4,775,988</b>	<b>\$ 27,573,084</b>
<b>Liabilities</b>							
Warrants Outstanding	\$ 1,680,235	\$ 21,547	\$ -	\$ -	\$ -	\$ 131,003	\$ 1,832,785
Reserve for Encumbrances	113,328	14,600	-	384,671	-	21	512,620
<b>Total Liabilities</b>	<b>\$ 1,793,563</b>	<b>\$ 36,147</b>	<b>\$ -</b>	<b>\$ 384,671</b>	<b>\$ -</b>	<b>\$ 131,024</b>	<b>\$ 2,345,405</b>
<b>Fund Balances</b>							
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,166	\$ 51,166
Restricted	453,884	1,059,614	1,853,837	1,242,743	12,332,106	4,140,781	21,082,965
Committed	-	-	-	-	-	443,331	443,331
Assigned	-	1,962	-	2,049	984	9,686	14,681
Unassigned	3,635,536	-	-	-	-	-	3,635,536
<b>Total Fund Balances</b>	<b>\$ 4,089,420</b>	<b>\$ 1,061,576</b>	<b>\$ 1,853,837</b>	<b>\$ 1,244,792</b>	<b>\$ 12,333,090</b>	<b>\$ 4,644,964</b>	<b>\$ 25,227,679</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,882,983</b>	<b>\$ 1,097,723</b>	<b>\$ 1,853,837</b>	<b>\$ 1,629,463</b>	<b>\$ 12,333,090</b>	<b>\$ 4,775,988</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. The costs of assets is \$74,723,462 and the accumulated depreciation is \$40,287,755.

34,435,707

Long-term capital lease and bond payable obligations are not due and payable in the current period and accordingly are not reported as fund liabilities. Long-term liabilities at year-end consist of:

Bond Payable:	8,245,000
Capital Lease Payable:	<u>19,700,000</u>

(27,945,000)

Net position of governmental activities.

\$ 31,718,386

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Statement of Revenues, Expenditures and Changes in Fund  
Balances – Governmental Funds– Regulatory Basis  
For the Year Ended June 30, 2015

	General Fund	Building Fund	Sinking Fund	Sales Tax Fund	CCPFA Bond Fund	Other Governmental Funds	Total
<b>REVENUE</b>							
Property Taxes	\$ 6,425,557	\$ 916,039	\$ 1,873,142	\$ -	\$ -	\$ -	9,214,738
Interest	7,483	1,962	3,131	2,049	984	13,964	29,573
County Revenue	660,660	-	-	819,550	-	-	1,480,210
State Revenue	13,861,213	-	-	-	-	402,893	14,264,106
Federal Revenue	2,361,587	-	-	-	-	1,559,943	3,921,530
Other	961,712	-	-	430,020	-	1,290,708	2,682,440
Total Revenue	<u>\$ 24,278,212</u>	<u>\$ 918,001</u>	<u>\$ 1,876,273</u>	<u>\$ 1,251,619</u>	<u>\$ 984</u>	<u>\$ 3,267,508</u>	<u>\$ 31,592,597</u>
<b>EXPENDITURES</b>							
Current							
Instruction	\$ 12,245,675	\$ 5,504	\$ -	\$ 31,607	\$ -	\$ 448,502	\$ 12,731,288
Support Services	9,340,751	401,016	-	698,593	23,700	519,400	10,983,460
Non-instruction Services	98,260	-	-	-	-	2,032,275	2,130,535
Capital Outlay	97,130	96,652	-	328,856	5,969,908	615,058	7,107,604
Other Outlays	239,137	-	-	-	-	190,057	429,194
Debt Service							
Principal Payment				1,545,000			1,545,000
Interest Paid	-	-	68,625	61,800	-	-	130,425
Total Expenditures	<u>\$ 22,020,953</u>	<u>\$ 503,172</u>	<u>\$ 68,625</u>	<u>\$ 2,665,856</u>	<u>\$ 5,993,608</u>	<u>\$ 3,805,292</u>	<u>\$ 35,057,506</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,257,259	\$ 414,829	\$ 1,807,648	\$ (1,414,237)	\$ (5,992,624)	\$ (537,784)	\$ (3,464,909)
Adjustments to Prior Year Encumbrances	14,238	5,809	-	-	-	122,822	142,869
Other Financing Sources							
Transfers	\$ -	\$ (3,000)	\$ -	\$ -	\$ 3,000	\$ -	\$ -
Proceeds of Bonds	-	-	-	-	-	2,075,000	2,075,000
Total Other Financing Sources	<u>\$ -</u>	<u>\$ (3,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 2,075,000</u>	<u>\$ 2,075,000</u>
Net Change in Fund Balances	\$ 2,271,497	\$ 417,638	\$ 1,807,648	\$ (1,414,237)	\$ (5,989,624)	\$ 1,660,038	\$ (1,247,040)
Fund Balances - Beginning, Restated	1,817,923	643,938	46,189	2,659,029	18,322,714	2,984,926	26,474,719
Fund Balances - Ending	<u>\$ 4,089,420</u>	<u>\$ 1,061,576</u>	<u>\$ 1,853,837</u>	<u>\$ 1,244,792</u>	<u>\$ 12,333,090</u>	<u>\$ 4,644,964</u>	<u>\$ 25,227,679</u>

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19  
 Carter County, Oklahoma  
 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund  
 Balances – Governmental Funds – Regulatory Basis to the Statement of Activities – Regulatory Basis  
 For the Year Ended June 30, 2015

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

Net change in fund balances - total governmental funds \$ (1,247,040)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital Outlay	\$	8,075,261	
Depreciation Expense		<u>(1,363,410)</u>	6,711,851

Prior year encumbrance related to construction in progress paid during the current year and capitalized at government wide level (1,447,964)

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however issuing debt increases long term liabilities and does not affect the statement of activities. (2,075,000)

The repayment of the principal on capital leases consumes current financial resources of government funds. However this transaction does not have an effect on net position. 1,545,000

Change in net position of governmental activities \$ 3,486,847

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Ardmore School District No. I-19, Carter County, Oklahoma (the “District”) is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on the state of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

**The Reporting Entity**

The governing body of the District is the Board of Education composed of elected members. The superintendent is the executive officer of the Board of Education and the administrative head of the District.

**Financial Statement Presentation**

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

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

**Government-Wide and Fund Financial Statements**

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Governmental activities include programs primarily supported by taxes, State aid, grants and other intergovernmental revenue. The District does not have any activities classified as business-type. The government-wide focus is more on the sustainability of the District as an entity and the change in the District’s net position resulting from current year’s activities.

*Government-Wide Financial Statements:* In the government-wide Statement of Net Position-regulatory basis, the District’s governmental activities are reported on cash receipts and disbursement basis modified as required by regulations of the Oklahoma Department of Education to include fixed assets, long-term debt and obligations. The District’s net position is reported in three parts: net investment in capital assets, restricted net position and unrestricted net position.

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The government-wide Statement of Activities – regulatory basis reports both the gross and net cost of each of the District’s programs and functions. The functions are also supported by general government revenues. The Statement of Activities – regulatory basis reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to students, faculty, individuals, or other school districts that purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, interest, transfers and other items not properly included among program revenues are reported instead as *general revenues*.

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

*Fund Financial Statements:* Governmental fund financial statements are reported using the cash receipts and disbursements basis of accounting modified as required by the Oklahoma Department of Education to include investments and inventories on hand, encumbrances issued and warrants outstanding. The fund financial statements provide reports on the financial condition and results of operations of governmental fund categories.

The District reports the following major governmental funds:

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

**Building Fund** is used to account for resources restricted by statutes for ad valorem taxes designated for repair, maintenance, acquisition and construction of buildings.

**Debt Service Fund** – The District accounts for the accumulation of funds for the periodic payment of general long-term debt in this fund.

**Sales Tax Fund** – is used to account for proceeds of sales taxes used for instructional materials, technology, building furniture, equipment and construction.

**CCPFA Bond Fund** -- is used to account for the proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.



ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Additionally, the District reports the following fund types included in the Other Governmental Funds column:

**Special Revenue Funds** – The District accounts for resources restricted or committed to specific purposes other than debt service or capital projects where the foundation for the fund is those resources or if the fund is legally mandated in special revenue funds.

**Capital Project Funds** -- The proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

**Permanent Fund** – The District reports resources that are restricted to the extent that only earnings, and not principal, may be used to support the District’s programs in this fund.

**Basis of Accounting**

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

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Vendor obligations due and payable for goods and services received are recorded as a payable until paid.
- Warrants/Checks payable are recorded as liabilities when issued.
- Investments and inventories are recorded as assets when purchased and reduced when used.
- Capital assets in the government-wide statements are recorded when acquired and depreciated over their useful lives.
- Long-term debt reported in the government-wide statements is recorded when incurred.
- Financial resources provided in the debt service fund in accordance with Oklahoma Statute 62-431 are reported as fund liabilities. In the government-wide statements, these resources are shown as restricted net position
- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which would have required the government-wide financial statements as well as the fiduciary fund financial statements to be presented on the accrual basis of accounting. The fund financial statements under accounting principles generally accepted in the United States of America would have been presented on the modified accrual basis of accounting. These financial statements are presented on the basis of accounting described above.

**Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Collateral in the form of obligations of the U.S. government or its agencies, municipalities or the State of Oklahoma is required for demand deposits and certificates of deposit for all amounts not covered by federal depository insurance.

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, banks and trust companies.

Investments for the District are reported at historical value. The investments held by the District as equity securities were donated.

**Inventories**

The value of consumable inventories at June 30, 2015 is not material to the financial statements. On the government-wide financial statements, United States Department of Agriculture (USDA) food commodities are recorded as revenue at fair value as of the date of receipt and as an expense when used. USDA food commodities are not reported in the governmental funds.

**Capital Assets**

Capital assets, which include land, land improvements, buildings, buses and vehicles, machinery and equipment, and construction in progress, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets

ARDMORE SCHOOL DISTRICT NO. I-19  
 Carter County, Oklahoma  
 Notes to Financial Statements  
 June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

are defined by the government as assets with an initial individual cost of more than \$2,500 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 recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the District, is depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Land Improvements	15
Buildings	20 – 40
Buses & Vehicles	5 – 10
Machinery and Equipment	3 – 10

**Net Position**

When the District incurs an expense for which it may either use restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because they are not used.

Net assets on the Statement of Net Position – Regulatory Basis include the following:

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

Restricted for Building Services – The component of net position that reports the excess of property taxes and other revenues collected in excess of expenses for operation of the District’s buildings. This amount is restricted by Oklahoma Statutes.

Restricted for Child Nutrition – The component of net position that report the assets restricted for use by the Child Nutrition program.

Restricted for Debt Service – The component of net position that report the assets restricted for payment of principal and interest on general long-term debt.

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Restricted for Instructional Materials and Technology – The component of net position that report the excess of sales tax restricted for technology and instructional materials by voters.

Restricted for Alternative Education – The component of net position that report the assets restricted for alternative education programs.

Restricted for School Organizations – The component of net position that report the assets restricted for use by student organizations and extracurricular activities. This amount is restricted by Oklahoma Statutes.

Restricted for Scholarships – The component of net position that report the assets restricted for scholarships.

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

**Fund Equity**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified the original funds donated in the Endowment Fund as being nonspendable as these amounts are legally required to be maintained intact.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified amounts restricted by state statute, donors and external grantors in this classification.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District has classified school organization activities as being committed because their use is governed by Board of Education action.

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the superintendent through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District has assigned funds for interest earnings to the special revenue funds and capital project funds where earned by the budgetary process.
- Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

	General Fund	Building Fund	Sinking Fund	Sales Tax Fund	CCPFA Bond Fund	Other Governmental Funds
Nonexpendable						
Endowment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,166
Restricted						
Debt Service	-	-	1,853,837	-	-	-
Building Operation and Maintenance	-	1,059,614	-	1,028,724	-	-
Alternative Education	-	-	-	-	-	120,795
State and Private Grants	453,884	-	-	-	-	-
Child Nutrition	-	-	-	-	-	344,715
Instructional Materials and Technology	-	-	-	214,019	-	-
School Facilities	-	-	-	-	12,332,106	3,633,517
Scholarships	-	-	-	-	-	41,754
Committed						
School Organizations	-	-	-	-	-	443,331
Assigned						
Building Operation and Maintenance	-	1,962	-	-	-	-
Alternative Education	-	-	-	-	-	85
Child Nutrition	-	-	-	-	-	525
Instructional Materials and Technology	-	-	-	2,049	-	-
School Facilities	-	-	-	-	984	8,934
Scholarships	-	-	-	-	-	142
Outstanding encumbrances	-	-	-	-	-	-
Unassigned	3,635,536	-	-	-	-	-
	<u>\$4,089,420</u>	<u>\$ 1,061,576</u>	<u>\$ 1,853,837</u>	<u>\$ 1,244,792</u>	<u>\$ 12,333,090</u>	<u>\$ 4,644,964</u>

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

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property Tax Revenues**

The District is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The taxes are due one-half prior to January 1 and the balance 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 year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed; otherwise, the purchaser is issued a deed to the property.

**State Revenues**

Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. Approximately 44% of the District's revenue comes from state sources.

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

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the 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.

**II. BUDGETARY INFORMATION**

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

A final budget may be revised upon approval of the Board of Education in open meeting.

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**II. BUDGETARY INFORMATION**

A budget is legally adopted for the General Fund, Building Fund, Child Nutrition Fund, Coop Fund and Sinking Fund that includes revenue and expenditures. Budgets generally assume the expenditure of all available resources. Therefore, when the legal budget is prepared, it is assumed these funds will not have a carryover balance to a subsequent year. Program revenue received but not spent is restricted and deferred to a subsequent fiscal year.

**III. DEPOSITS AND INVESTMENTS**

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy requires collateral for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. As of June 30, 2015, cash deposits and investments were fully insured or collateralized by a pledging bank's agent in the District's name.

Investment - The District's investment of \$37,666 at June 30, 2015, represents equity securities valued at historical value that were donated to the District. These securities are uninsured and exposed to the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of the investment.

**IV. CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Government Activities:</i>				
<i>Capital assets, not being depreciated</i>				
Land	\$ 434,650	\$ 8,000	\$ -	\$ 442,650
Construction in progress	2,139,166	5,842,694	1,368,186	6,613,674
Total capital assets, not being depreciated	<u>\$ 2,573,816</u>	<u>\$ 5,850,694</u>	<u>\$ 1,368,186</u>	<u>\$ 7,056,324</u>
<i>Capital assets, being depreciated</i>				
Land Improvements	\$ 1,610,352	\$ 31,540		\$ 1,641,892
Buildings	57,285,903	2,724,271		60,010,174
Buses and Vehicles	2,472,380	-	-	2,472,380
Machinery and Equipment	2,747,234	836,942	41,484	3,542,692
Total capital assets, being depreciated	<u>\$ 64,115,869</u>	<u>\$ 3,592,753</u>	<u>\$ 41,484</u>	<u>\$ 67,667,138</u>
Less Accumulated Depreciation	<u>38,965,829</u>	<u>1,363,410</u>	<u>41,484</u>	<u>40,287,755</u>
Total capital assets, being depreciated, net	<u>\$ 25,150,040</u>	<u>\$ 2,229,343</u>	<u>\$ -</u>	<u>\$ 27,379,383</u>
Governmental activities capital assets, net	<u>27,723,856</u>	<u>8,080,037</u>	<u>1,368,186</u>	<u>34,435,707</u>
<b>Total Primary Government</b>	<b><u>\$ 27,723,856</u></b>	<b><u>\$ 8,080,037</u></b>	<b><u>\$ 1,368,186</u></b>	<b><u>\$ 34,435,707</u></b>

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**IV. CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs of the District as follows:

Government activities:	
Instruction	\$ 56,564
Support	1,261,044
Non-Instruction	<u>45,802</u>
Total depreciation expense - governmental activities	<u><u>\$1,363,410</u></u>

**V. LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Capital Leases	\$ 21,245,000	\$ -	\$ 1,545,000	\$ 19,700,000	\$ 1,395,000
General Obligation Debt	<u>6,170,000</u>	<u>2,075,000</u>	<u>-</u>	<u>8,245,000</u>	<u>2,485,000</u>
Total Governmental Activity Long-Term Liabilities	<u>\$ 27,415,000</u>	<u>\$ 2,075,000</u>	<u>\$ 1,545,000</u>	<u>\$ 27,945,000</u>	<u>\$ 3,880,000</u>

The sales tax fund and restricted cash are used to liquidate the capital leases. The general obligation debt will be liquidated by the debt service fund from property tax collections.

The District has also entered financing arrangements with the Ardmore Community Facilities Authority and Carter County Public Facilities Authority (see Note X). These financing arrangements are accounted for as capital leases, since for accounting purposes the title transfers at the end of lease term. The leases contain a clause which gives the District the ability to terminate the lease agreements at the end of each fiscal year.

The schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments for years ending June 30<sup>th</sup> are as follows:

Year Ended June 30,	Amount Due
2016	\$ 2,026,194
2017	\$ 2,027,994
2018	\$ 2,034,144
2019	\$ 2,028,766
2020	\$ 2,037,906
Thereafter	\$ 14,287,025
Less: Interest	<u>(4,742,029)</u>
Total	\$ 19,700,000



ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**V. LONG-TERM DEBT (Continued)**

Leased construction in progress, buildings and equipment under capital leases in capital assets at June 30, 2015, included the following:

*Capital assets, not being depreciated*

Construction in Progress                      \$ 5,528,425

Bonds Payable at June 30, 2015 is composed of the following individual general obligation bond issues:

	<b>Amount Outstanding</b>
Independent School District, I-19 General Obligation Building Bonds of 2013, original issue \$4,095,000, interest rates of 0.80%, due in installments of \$1,970,000 and \$2,125,000; the final installment due 8/1/16	\$ 4,095,000
Independent School District, I-19 General Obligation Building Bonds of 2014, original issue \$2,075,000, interest rates from 0.90% to 1.15%, due in annual installments of \$515,000 and \$530,000; the final installment due 5/1/19	2,075,000
Independent School District, I-19 General Obligation Building Bonds of 2015, original issue \$2,075,000, interest rates of 0.90%, due in an annual installment of \$2,075,000 on 3/1/18	2,075,000
	\$ 8,245,000

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

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 2,485,000	\$ 44,365	\$2,529,365
2017	2,640,000	60,700	2,700,700
2018	2,590,000	29,920	2,619,920
2019	530,000	6,095	536,095
Total	\$ 8,245,000	\$ 141,080	\$8,386,080

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**V. LONG-TERM DEBT (Continued)**

State statute prohibits the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue. General obligation bonded debt of the District is limited by state law to 10% of the assessed valuation of the District. The legal debt limit at June 30, 2015 is approximately \$15,692,000.

Pledged Revenues

The District has pledged \$24,900,000 of future issuances of general obligation bonds to repay \$19,700,000 plus interest lease revenue bonds with Carter County Public Facilities Authority (CCPFA). Proceeds from the lease revenue bonds are to be for the construction and placement of improvements on real property. The general obligation bonds will be issued prior to the payment due of the lease purchase payments to Carter County Public Facilities Authority. One hundred percent of the general obligation bonds will be used to pay the lease revenue bond payments and bond issuance costs. Subsequent to year end the District issued \$2,075,000 of general obligation bonds to make the first payment on September 1, 2015. The annual payments will continue with final payment due to CCPFA on September 1, 2026.

Property tax revenues collected by the District are pledged to repay the District's General Obligation Bonds. As of June 30, 2015, \$8,245,000 general obligations were outstanding and \$22,825,000 of general obligations bonds were authorized but not issued. Current year had collected \$1,873,142 of pledged revenues and paid \$68,625 of interest expense toward obligations.

Subsequent to year end, the District issued an additional \$2,075,000 in bonds, leaving \$20,750,000 of voter approved unissued general obligation bonds.

**VI. EMPLOYEE RETIREMENT SYSTEM**

Teachers' Retirement System of Oklahoma

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

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**VI. EMPLOYEE RETIREMENT SYSTEM *(continued)***

*Benefits Provided* – The System provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O.S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature. Benefit provisions include

- After five years of credited service, members become 100% vested in benefits earned to date.
- Members who joined the System prior to July 1, 1992 are eligible to retire at maximum benefits at the earlier of age 62 or when age and years of creditable service total 80. Members joining from July 1, 1992 to October 31, 2011 are eligible for maximum benefits at the earlier of age 62 or when their age and years of creditable service total 90. Members who joined the System on or after November 1, 2011 are eligible to retire with maximum benefits at the earlier of age 65 or when their age and years of creditable service total 90 as long as their age is at least 60.
- The maximum retirement benefit is 2% of final average compensation times the number of years of credited service. Reduced benefits are available at age 55 for members joining prior to November 1, 2011 or age 60 for members joining after October 31, 2011. Reduction factors vary depending on age and date of membership when joining the System.
- Final average compensation for members who joined the System prior to July 1, 1992 is defined as the average salary for three highest years of contributing compensation. For members joining the System after June 30, 1992 final average compensation is defined as the average of the five highest consecutive years of contributing compensation. Prior to July 1, 1995 all contributions were limited to salary caps of \$40,000 or \$25,000 depending on the member's election. Salary caps were removed starting July 1, 1995.
- Upon death, the designated beneficiary of a member who has not retired shall receive total contributions plus 100% of interest earned through the end of the fiscal year, with interest rates varying based on time of service. The surviving spouse may elect to receive the retirement benefit of the member, in lieu of the aforementioned benefits.
- Upon death of a retired member, the System will pay \$5,000 to the designated beneficiary in addition to the benefits provided by the retirement option selected by the member.
- A member is eligible for disability benefits after 10 years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable years of credited service.
- Upon withdrawal from the system, a member's contributions are refundable with interest, based on the years of service.

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**VI. EMPLOYEE RETIREMENT SYSTEM *(continued)***

Contributions – In accordance with *Oklahoma Statutes*, System members are required to contribute 7.00% of applicable compensation. For the year ended June 30, 2015, qualifying employee contributions were reduced by a retirement credit of \$143,702 provided by Enrolled House Bill 1873 and paid by the State of Oklahoma as on-behalf payments. For the year ended June 30, 2015, the District had a statutory contribution rate of 9.5% plus 8.25% as a match for salaries funded by federal programs. The contribution requirements of System members and the District are established and may be amended by the state legislature. For the year ended June 30, 2015, the District contributions to the System for were \$1,534,061.

The State of Oklahoma, a non-employer contributing entity, provides funds through 5% of the State's sales, use, corporate and individual income taxes collected. The System receives 1% of the cigarette taxes collected by the State and 5% of net lottery proceeds collected by the State. The District's estimated share of these contributions based on their covered payroll for the measurement period was \$45,634.

Pension Liability and Pension Expense

At June 30, 2015, the District's proportionate share of the net pension liability was \$20,781,294. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of the contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.38627900% which was the same as its proportion measured as of June 30, 2013. For the year ended June 30, 2015, the District had pension expense of \$1,216,864.

Actuarial assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level Percentage of Payroll
- Amortization Period – Amortization over an open 30-year period
- Asset Valuation Method – 5-year smooth market
- Inflation – 3.00%
- Salary Increases – Composed of 3.00% inflation, plus 1.00% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
- Investment Rate of Return – 8.00%
- Retirement Age – Experience-based table of rates based on age, service, and gender.
- Mortality – RP-2000 Combined Mortality Table, projected to 2016 using Scale AA, multiplied by 90% for males and 80% for females.

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**VI. EMPLOYEE RETIREMENT SYSTEM (continued)**

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expecting inflation.

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2014, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	23.50%	6.60%
Domestic Equity	57.50%	6.80%
Private Equity	5.00%	7.90%
Real Estate	7.00%	5.50%
Limited Partnerships	7.00%	7.90%
	100.00%	

Discount rate – A single discount rate of 8.00% was used to measure the total pension liability as of June 30, 2013 and 2014. This single discount rate was based solely on the expected rate of return on pension plan investments of 8.00%. Based on the stated assumptions and the projection of cash flows, the pension plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 8.00%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's Proportionate share of the net pension liability	\$ 29,397,254	\$ 20,781,294	\$ 13,774,618

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/trs/>.

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**VII. COMMITMENTS AND CONTINGENCIES**

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

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

The District entered into several construction-related contracts during the fiscal year, which include additions, new construction, and remodeling of school buildings. As of June 30, 2015, the District had outstanding construction-related commitments totaling \$13,022,103 that will be financed from proceeds of past general obligation bonds from the bond fund 35 and 36 within aggregate remaining fund opinion unit and CCPFA Bond Fund 39 restricted cash.

<b>Construction Commitments</b>	
CCPFA Bond Fund	\$ 12,767,385
Aggregate Remaining	<u>254,718</u>
	<u>\$ 13,022,103</u>

Subsequent to June 30, 2015, the District entered into \$439,399 of constructed-related projects to be financed from past general obligation bonds and restricted cash.

**VIII. RISK MANAGEMENT**

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

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**IX. LEASE REVENUE BOND AGREEMENTS**

Effective October 1, 2004, the voters of the City of Ardmore, Oklahoma approved a one-fourth of one percent (1/4%) sales tax for a period of ten years of which seventy-one percent (71%) is dedicated to the Ardmore School District for the purpose of financing the acquisition, construction, furnishing and equipment of educational facilities and for other educational functions. Effective February 1, 2005, the Ardmore Community Facilities Authority (ACFA) a Trust created by the City of Ardmore under Title 60 of the Oklahoma statutes and a component unit of the City of Ardmore, issued \$7,000,000 of sales tax revenue bonds for the purpose of financing the acquisition, expansion, renovation, repairing, furnishing, equipping of school facilities. The District assigned its rights to the sales tax revenue to the Authority to fund the debt service requirements of the revenue bonds. The capital assets acquired and constructed have been shown as capital assets on the District's statement of net position. For the year ended June 30, 2015 the District had received \$430,020 of dedicated sales tax from the City of Ardmore and that it is shown as operating contribution in the statement of activities— regulatory basis. The lease revenue bonds were paid off in January 2015.

The Authority's financial statements are included in the City of Ardmore's financial reporting entity and can be obtained from the City of Ardmore's finance director.

On September 1, 2013, the Board of Education entered into ground lease and sublease agreements with the Carter County Public Facilities Authority (CCPFA), a public trust, for the purpose of facilitating the issuance of the bonds, to provide security for payment of the bonds, and to enable the District to utilize the bond proceeds for the construction and placement of improvements on real property. The lease agreements will remain in effect to June 30, 2027. The Authority advanced \$19,700,000 in lease revenue bonds, series 2013, to the District for the acquisition and construction of buildings and improvements. The District will use money received from General Obligation Debt to repay the lease. The advanced funds are being held in a trust and District remits applications for payments. Lease agreement closing costs, fees, bond interest and construction expenditures were paid from the advanced funds as of June 30, 2015. The remaining balance of the advanced fund is reported as Restricted Cash in CCPFA Bond Fund on Balance Sheet of Governmental Funds and on the Statement of Net Position. Interest is due semi-annually beginning on March 1, 2014. For year ended June 30, 2015, \$645,143 of interest had been paid from the advanced funds.

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

**X. RESTATEMENT OF BEGINNING BALANCES**

The District has determined that the activity related to the Lease Revenue Bonds was recorded incorrectly in the prior year. A reconciliation of the prior period ending fund balance/net position to the current year beginning fund balance/net position for the respective funds noted below:

	2014 Previously Presented	Restatement	2014 Restated
<i>Governmental Activities</i>			
Restricted Cash	\$ 9,824,358	\$ 2,203,738	\$12,028,096
Net Position	(26,027,801)	(2,203,738)	(28,231,539)
 <i>CCPFA Bond Fund</i>			
Cash	\$ -	\$18,322,714	\$18,322,714
Fund Balance	-	(18,322,714)	(18,322,714)
 <i>Sales Tax Fund</i>			
Restricted Cash	\$ 682,814	\$ 2,203,738	\$ 2,886,552
Fund Balance	(455,291)	(2,203,738)	(2,659,029)

**XI. SUBSEQUENT EVENTS**

The Charles Evans Elementary Gymnasium bond project was completed in November 2015.

In December 2015, the Board of Education approved the demolition of Franklin Elementary school building, one of the District’s oldest facilities. The demolition was partially completed in March 2016.

In December 2015 and March 2016, the Oklahoma Secretary of Finance declared General Revenue failures which resulted in across-the-board cuts to State agencies. The District has received notification of state funding cuts totally \$419,000.



---

**OTHER INFORMATION**

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Budgetary Comparison Schedule –General Fund (Unaudited)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUE</b>				
Property Taxes	\$ 7,786,781	\$ 7,786,731	\$ 6,425,557	\$ (1,361,174)
Interest	7,635	7,635	7,483	(152)
County Revenue	523,281	523,281	660,660	137,379
State Revenue	11,210,630	11,210,630	13,861,213	2,650,583
Federal Revenue	2,645,686	2,645,686	2,361,587	(284,099)
Other	<u>975,846</u>	<u>975,896</u>	<u>961,712</u>	<u>(14,184)</u>
Total Revenue	<u>\$ 23,149,859</u>	<u>\$ 23,149,859</u>	<u>\$ 24,278,212</u>	<u>\$ 1,128,353</u>
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 15,218,470	\$ 15,218,470	12,271,646	\$ 2,946,824
Support Services	9,411,916	9,411,916	9,411,911	5
Non-instruction Services	98,260	98,260	98,260	-
Other Outlays	<u>239,136</u>	<u>239,136</u>	<u>239,136</u>	<u>-</u>
Total Expenditures	<u>\$ 24,967,782</u>	<u>\$ 24,967,782</u>	<u>\$ 22,020,953</u>	<u>\$ 2,946,829</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,817,923)	\$ (1,817,923)	\$ 2,257,259	\$ 4,075,182
Adjustments to Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>14,238</u>	<u>14,238</u>
Net Change in Fund Balance	(1,817,923)	(1,817,923)	2,271,497	4,089,420
Fund Balance - Beginning	<u>1,817,923</u>	<u>1,817,923</u>	<u>1,817,923</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,089,420</u>	<u>\$ 4,089,420</u>

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Budgetary Comparison Schedule –Building Fund (Unaudited)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUE</b>				
Property Taxes	\$ 1,112,701	\$ 1,112,701	\$ 916,039	\$ (196,662)
Interest	1,493	1,493	1,962	469
Other	-	-	-	-
Total Revenue	<u>\$ 1,114,194</u>	<u>\$ 1,114,194</u>	<u>\$ 918,001</u>	<u>\$ (196,193)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 5,504	\$ 5,504	\$ 5,504	\$ -
Support Services	424,103	424,103	394,968	29,135
Non-instruction Services	-	-	-	-
Capital Outlay	1,328,525	1,328,525	102,700	1,225,825
Other Outlays	-	-	-	-
Total Expenditures	<u>\$ 1,758,132</u>	<u>\$ 1,758,132</u>	<u>\$ 503,172</u>	<u>\$ 1,254,960</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(643,938)	(643,938)	414,829	1,058,767
Adjustments to Prior Year Encumbrances	-	-	5,809	5,809
Other Financing Sources				
Transfers Out	-	-	(3,000)	(3,000)
Total Other Financing Sources	-	-	(3,000)	(3,000)
Net Change in Fund Balance	(643,938)	(643,938)	417,638	1,061,576
Fund Balance - Beginning	643,938	643,938	643,938	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,061,576</u>	<u>\$ 1,061,576</u>

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Budgetary Comparison Schedule – Sinking Fund (Unaudited)  
For the Year Ended June 30, 2015

	Original and Final Budget	Actual Budgetary Amounts	Variance with Final Budget
<b>REVENUE</b>			
Property Taxes	2,424,334	1,873,142	551,192
Interest	-	3,131	(3,131)
Total Revenue	<u>\$ 2,424,334</u>	<u>\$ 1,876,273</u>	<u>\$ 548,061</u>
<b>EXPENDITURES</b>			
Debt Service			
Interest Paid	\$ 68,625	68,625	\$ -
Principal Retirement	2,401,898	-	2,401,898
Total Expenditures	<u>\$ 2,470,523</u>	<u>\$ 68,625</u>	<u>\$ 2,401,898</u>
Net Change in Fund Balance	(46,189)	1,807,648	1,853,837
Fund Balance - Beginning	46,189	46,189	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,853,837</u>	<u>\$ 1,853,837</u>

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Combining Balance Sheet – Regulatory Basis – Other Governmental Funds  
June 30, 2015

	Capital Projects Funds			Special Revenue Funds					Permanent Fund	Total
	Bond 35 Fund	Bond 36 Fund	Bond 37 Fund	Coop Fund	Child Nutrition Fund	Gifts Fund	Take II Fund	Activity Fund	Endowment Fund	
<b>Assets</b>										
Cash and Cash Investments	\$ 490,059	\$ 1,102,420	\$ 2,049,972	\$ 123,652	\$ 441,531	\$ 29,250	\$ 16,319	\$ 458,973	\$ 26,146	\$ 4,738,322
Investments	-	-	-	-	-	-	-	-	37,666	37,666
<b>Total Assets</b>	<b>\$ 490,059</b>	<b>\$ 1,102,420</b>	<b>\$ 2,049,972</b>	<b>\$ 123,652</b>	<b>\$ 441,531</b>	<b>\$ 29,250</b>	<b>\$ 16,319</b>	<b>\$ 458,973</b>	<b>\$ 63,812</b>	<b>\$ 4,775,988</b>
<b>Liabilities</b>										
Warrants Payable	\$ -	\$ -	\$ -	\$ 17,300	96,270	\$ -	\$ 1,791	15,642	\$ -	\$ 131,003
Reserve for Encumbrances	-	-	-	-	21	-	-	-	-	21
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,300</b>	<b>\$ 96,291</b>	<b>\$ -</b>	<b>\$ 1,791</b>	<b>\$ 15,642</b>	<b>\$ -</b>	<b>\$ 131,024</b>
<b>Fund Balances</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,166	\$ 51,166
Restricted	487,776	1,097,664	2,048,077	106,267	344,715	29,108	14,528	-	12,646	4,140,781
Committed	-	-	-	-	-	-	-	443,331	-	443,331
Assigned	2,283	4,756	1,895	85	525	142	-	-	-	9,686
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>490,059</b>	<b>1,102,420</b>	<b>2,049,972</b>	<b>106,352</b>	<b>345,240</b>	<b>29,250</b>	<b>14,528</b>	<b>443,331</b>	<b>63,812</b>	<b>4,644,964</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 490,059</b>	<b>\$ 1,102,420</b>	<b>\$ 2,049,972</b>	<b>\$ 123,652</b>	<b>\$ 441,531</b>	<b>\$ 29,250</b>	<b>\$ 16,319</b>	<b>\$ 458,973</b>	<b>\$ 63,812</b>	<b>\$ 4,775,988</b>

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Combining Statement of Revenue, Expenditures and Changes in Fund Balance – Regulatory Basis  
– Other Governmental Funds  
For the Year Ended June 30, 2015

	Capital Project Funds			Special Revenue Funds					Permanent Fund	Total
	Bond 35 Fund	Bond 36 Fund	Bond 37 Fund	Coop Fund	Child Nutrition Fund	Gifts Fund	Take II Fund	Activity Fund	Endowment Fund	
<b>REVENUE</b>										
Interest	\$ 2,283	\$ 4,756	\$ 1,895	\$ 85	\$ 525	\$ 142	\$ -	\$ 1,568	\$ 2,710	\$ 13,964
County Revenue	-	-	-	-	-	-	-	-	-	-
State Revenue	-	-	-	194,953	207,940	-	-	-	-	402,893
Federal Revenue	-	-	-	-	1,559,943	-	-	-	-	1,559,943
Other	-	-	-	241,071	93,083	1,250	29,025	926,279	-	1,290,708
Total Revenue	\$ 2,283	\$ 4,756	\$ 1,895	\$ 436,109	\$ 1,861,491	\$ 1,392	\$ 29,025	\$ 927,847	\$ 2,710	\$ 3,267,508
<b>EXPENDITURES</b>										
Current										
Instruction	\$ 43,350	\$ -	\$ -	\$ 286,586	\$ -	\$ -	\$ 5,813	\$ 112,753	\$ -	\$ 448,502
Support Services	-	-	26,923	159,871	-	11,930	15,595	301,600	3,481	519,400
Non-instruction Services	-	-	-	-	1,722,217	-	-	310,058	-	2,032,275
Capital Outlay	201,890	404,668	-	-	-	-	-	8,500	-	615,058
Other Outlays	-	-	-	19,301	771	-	75	169,910	-	190,057
Debt Service										
Interest Paid	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 245,240	\$ 404,668	\$ 26,923	\$ 465,758	\$ 1,722,988	\$ 11,930	\$ 21,483	\$ 902,821	\$ 3,481	\$ 3,805,292
Excess (Deficiency) of Revenues Over (Under) Expenditures	(242,957)	(399,912)	(25,028)	(29,649)	138,503	(10,538)	7,542	25,026	(771)	(537,784)
Adjustments to Prior Year Encumbrances	122,822	-	-	-	-	-	-	-	-	122,822
Other Financing Sources										
Proceeds of Bonds	-	-	2,075,000	-	-	-	-	-	-	2,075,000
Total Other Financing Sources	-	-	2,075,000	-	-	-	-	-	-	2,075,000
Net Change in Fund Balances	(120,135)	(399,912)	2,049,972	(29,649)	138,503	(10,538)	7,542	25,026	(771)	1,660,038
Fund Balances, Beginning	610,194	1,502,332	-	136,001	206,737	39,788	6,986	418,305	64,583	2,984,926
Fund Balances, Ending	\$ 490,059	\$ 1,102,420	\$ 2,049,972	\$ 106,352	\$ 345,240	\$ 29,250	\$ 14,528	\$ 443,331	\$ 63,812	\$ 4,644,964

**ARDMORE SCHOOL DISTRICT NO. I-19**  
**Carter County, Oklahoma**  
**Supplemental Schedule**  
**Combining Statement of Assets and Fund Balances – Activity Fund**  
**For the Year Ended June 30, 2015**

	<b>Balance</b>		<b>Adjusting</b>		<b>Balance</b>
	<b>6/30/2014</b>	<b>Receipts</b>	<b>Entries</b>	<b>Checks</b>	<b>6/30/2015</b>
<b>Unit 50 ADMINISTRATION</b>					
Project 887 ODYSSEY OF THE MIND	\$ 100	\$ -	\$ -	\$ -	\$ 100
Project 888 SPIRIT OF THE TIGERS	6,996	7,977	-	9,125	5,848
Project 889 ADULT BASIC EDUCATION	653			653	-
Project 894 ACS BIGGEST LOSER	219	960	-	990	189
Project 895 ACS ELEMENTARY MUSIC	860	5,193	-	3,830	2,223
Project 896 HUGS	39,451	90,491	-	86,369	43,573
Project 899 OPERATIONAL	37,753	24,308	(40)	24,572	37,449
Project 901 UNITED WAY DONATION ACCC	154	1,200	-	1,298	56
Project 906 CLEARING ACCOUNT	-	10	-	10	-
Project 907 SPECIAL OLYMPICS	1,130	1,206	-	1,602	734
Project 908 SUMMER SCHOOL	-	3,900	-	3,900	-
Project 912 ACS IECBOOSTER	3,778	-	-	-	3,778
Project 917 SUNSHINE WELFARE	332	319	40	58	633
Project 939 PUBLIC RELATIONS/CURRICUL	445	-	-	-	445
Project 962 CHILD NUTRITION	-	49,453	-	49,453	-
Project 971 RED RIVER CLASSIC	134	-	-	-	134
Total Unit 50	<u>92,005</u>	<u>185,017</u>	<u>-</u>	<u>181,860</u>	<u>95,162</u>
<b>Unit 70 TRANSPORTATION</b>					
Project 898 Transportation	19	-	-	-	19
Total Unit 70	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>
<b>Unit 110 CHARLES EVANS ELEMENTARY</b>					
Project 801 CHARLES EVANS	7,871	51,894	72	49,616	10,221
Project 802 CHARLES EVANS LIBRARY	209	7,865	-	7,137	937
Project 803 CHARLES EVANS PTO	5,393	6,224	-	7,125	4,492
Project 906 CLEARING ACCOUNT	-	45	-	45	-
Project 911 CHARLES EVANS WELFARE	827	684	(72)	694	745
Total Unit 110	<u>14,300</u>	<u>66,712</u>	<u>-</u>	<u>64,617</u>	<u>16,395</u>
<b>Unit 115 FRANKLIN</b>					
Project 807 FRANKLIN SCHOLARSHIP	1,550	-	-	-	1,550
Total Unit 115	<u>1,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,550</u>
<b>Unit 120 JEFFERSON ELEMENTARY</b>					
Project 811 JEFFERSON	15,319	14,828	-	20,812	9,335
Project 812 JEFFERSON LIBRARY	699	3,262	-	3,336	625
Project 813 JEFFERSON PTO	1,624	2,857	-	3,397	1,084
Project 818 JEFFERSON STAFF ACTIVITY	1,167	-	-	245	922
Project 819 JEFFERSON CHRISTMAS	9,861	9,238	-	7,769	11,330
Project 906 CLEARING ACCOUNT	-	103	-	103	-
Total Unit 120	<u>28,670</u>	<u>30,288</u>	<u>-</u>	<u>35,662</u>	<u>23,296</u>
<b>Unit 125 LINCOLN ELEMENTARY</b>					
Project 808 LINCOLN SUNSHINE ACCOUNT	341	893	33	1,233	34
Project 814 LINCOLN	10,390	17,043	(290)	19,343	7,800
Project 815 LINCOLN LIBRARY	1,476	3,754	-	3,763	1,467
Project 816 LINCOLN PTO	2,366	7,445	257	7,486	2,582
Project 906 CLEARING ACCOUNT	-	320	-	320	-
Total Unit 125	<u>14,573</u>	<u>29,455</u>	<u>-</u>	<u>32,145</u>	<u>11,883</u>
<b>Unit 135 WILL ROGERS ELEMENTARY</b>					
Project 804 WILL ROGERS ACTIVITY	16,428	34,742	-	32,484	18,686
Project 805 WILL ROGERS LIBRARY	2,042	-	-	-	2,042
Project 806 WILL ROGERS WELFARE	500	573	(23)	124	926
Project 817 WILL ROGERS PTO	4,734	11,539	-	10,441	5,832
Project 906 CLEARING ACCOUNT	-	158	23	181	-
Total Unit 135	<u>23,704</u>	<u>47,012</u>	<u>-</u>	<u>43,230</u>	<u>27,486</u>

**ARDMORE SCHOOL DISTRICT NO. I-19**  
**Carter County, Oklahoma**  
**Supplemental Schedule**  
**Combining Statement of Assets and Fund Balances – Activity Fund**  
**For the Year Ended June 30, 2015**

	<b>Balance</b>		<b>Adjusting</b>		<b>Balance</b>
	<b>6/30/2014</b>	<b>Receipts</b>	<b>Entries</b>	<b>Checks</b>	<b>6/30/2015</b>
<b>Unit 505 ARDMORE MIDDLE SCHOOL</b>					
Project 826 AMS VOCAL MUSIC	1,591	6,285	-	6,801	1,075
Project 827 AMS POM SQUAD	3,454	9,491	-	7,609	5,336
Project 828 AMS MISCELLANEOUS	2,337	7,990	-	7,904	2,423
Project 829 AMS CHEERLEADERS	810	3,437	-	2,138	2,109
Project 831 AMS ART	1,699	-	-	-	1,699
Project 832 AMS STUDENT COUNCIL	710	200	-	50	860
Project 833 AMS FCCLA	73	2,842	(178)	1,815	922
Project 834 AMS NJHS	4,894	83,504	-	76,884	11,514
Project 835 AMS 4-H	474	2,703	-	2,600	577
Project 836 AMS AVID CLUB	2,591	-	(360)	50	2,181
Project 884 AMS LIBRARY	1,387	3,072	-	2,268	2,191
Project 893 AMS ENVIRONMENTAL CAMP	2,972	3,045	360	2,389	3,988
Project 906 CLEARING ACCOUNT	-	144	-	144	-
Project 923 AMS DRAMA CLUB	543	-	-	-	543
Project 926 AMS PTT	5,302	-	-	895	4,407
Project 928 AMS TIGER DEN	7,959	-	-	273	7,686
Project 931 AMS YEARBOOK	1,337	-	-	-	1,337
Project 933 AMS TEACHERS' FLOWER FUNE	165	-	-	108	57
Project 946 AMS OUTDOOR CLASSROOM	564	-	-	-	564
Project 953 AMS SPORTS ACCOUNT	1,515	22,332	-	22,877	970
Total Unit 505	<u>40,377</u>	<u>145,045</u>	<u>(178)</u>	<u>134,805</u>	<u>50,439</u>
<b>Unit 705 ARDMORE HIGH SCHOOL</b>					
Project 837 AHS ART	458	375	-	585	248
Project 838 AHS ATHLETICS	22,421	132,496	-	121,038	33,879
Project 839 AHS BAND	1,980	7,083	-	6,539	2,524
Project 841 AHS BAND BOOSTER CLUB	19,753	27,678	-	11,314	36,117
Project 843 AHS VOCAL MUSIC	2,202	-	-	255	1,947
Project 844 AHS TEST FEES	1,370	45	-	145	1,270
Project 845 AHS CLASS OF 2015	5,815	3,470	1,300	9,223	1,362
Project 846 AHS CLASS OF 2014	1,300	-	(1,300)	-	-
Project 847 AHS CLASS OF 2016	1,624	5,120	-	2,136	4,608
Project 848 AHS CLASS OF 2017	665	610	-	121	1,154
Project 849 AHS CLASS OF 2018	-	360	-	66	294
Project 852 AHS CRITERION	1,363	12,863	-	8,840	5,386
Project 853 AHS STUDENT CRIME STOPPER	1,000	-	-	-	1,000
Project 855 AHS POM SQUAD	1,244	13,069	-	10,668	3,645
Project 856 AHS DUGOUT CLUB	11,692	27,911	-	39,603	-
Project 857 AHS FORENSICS	882	21,145	-	21,490	537
Project 858 AHS AVID	225	-	-	-	225
Project 859 AHS FCCLA	2,270	12,873	178	14,434	887
Project 861 AHS TECHNOLOGY CLUB	12	-	-	-	12
Project 863 AHS LIBRARY	112	-	-	-	112
Project 864 AHS MISCELLANEOUS	3,615	2,828	-	1,302	5,141
Project 865 AHS NATIONAL HONOR SOCIETY	216	-	-	-	216
Project 866 AHS QUARTERBACK CLUB	17,797	26,145	-	14,955	28,987
Project 867 AHS SCIENCE CLUB	1,705	-	-	-	1,705
Project 869 AHS INTERNATIONAL CLUB	540	1,143	-	726	957
Project 871 AHS STRINGS/ORCHESTRA	8,376	11,649	-	11,596	8,429
Project 872 AHS STUDENT COUNCIL	2,071	10,068	-	11,525	614
Project 873 AHS TAKEDOWN CLUB	620	2,498	-	2,470	648
Project 874 AHS TENNIS CLUB	5,964	6,456	-	8,901	3,519
Project 875 AHS COALITION OF GEEKS	510	-	-	-	510
Project 877 AHS QB CLUB/NOBLE MAINTEN	645	-	-	-	645
Project 878 AHS VARSITY CHEERLEADERS	4,615	2,996	-	7,391	220
Project 897 AHS TIGER TRACK MEET	1,898	-	-	-	1,898



**ARDMORE SCHOOL DISTRICT NO. I-19**  
**Carter County, Oklahoma**  
**Supplemental Schedule**  
**Combining Statement of Assets and Fund Balances – Activity Fund**  
**For the Year Ended June 30, 2015**

	<b>Balance</b>		<b>Adjusting</b>		<b>Balance</b>
	<b>6/30/2014</b>	<b>Receipts</b>	<b>Entries</b>	<b>Checks</b>	<b>6/30/2015</b>
Unit 705 ARDMORE HIGH SCHOOL (continued)					
Project 906 CLEARING ACCOUNT	-	532	-	532	-
Project 913 AHS NATIVE AMERICAN CLUB	2,930	-	-	-	2,930
Project 918 AHS GIRLS FASTPITCH CLUB	6,039	26,872	-	26,537	6,374
Project 921 AHS STATE TRACK MEET	532	-	-	-	532
Project 922 AHS HOLIDAY FESTIVAL	4,610	16,548	-	19,987	1,171
Project 938 AHS BENEVOLENCE	548	48	-	274	322
Project 943 AHS FOOTBALL CAMP	39,139	21,667	-	39,762	21,044
Project 945 AHS ADVERTISING REVENUE	17,577	19,125	-	6,521	30,181
Project 951 AHS FAST-BREAK CLUB	520	-	-	520	-
Project 964 AHS SPORTS MEDICINE	8	400	-	237	171
Project 972 AHS GOLF	4,711	10,245	-	10,698	4,258
Project 977 AHS INCENTIVE ACCOUNT	<u>1,533</u>	<u>-</u>	<u>-</u>	<u>111</u>	<u>1,422</u>
Total Unit 705	<u>203,107</u>	<u>424,318</u>	<u>178</u>	<u>410,502</u>	<u>217,101</u>
Grand Total	<u>\$ 418,305</u>	<u>\$ 927,847</u>	<u>\$ -</u>	<u>\$ 902,821</u>	<u>\$ 443,331</u>

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Supplemental Schedule  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

	Federal CFDA Number	Pass Through Grantor's Project Number	Balance 6/30/2014	Federal Grant Receipts	Federal Grant Cash Basis Expenditures	Balance 6/30/2015
<b><i>U.S. Dept. of Interior</i></b>						
Direct Program						
Johnson O'Malley Indian Education Assistance to Schools	15.130	563	\$ (7,553)	\$ 35,600	\$ 33,887	\$ (5,840)
Total U.S. Department of Interior			<u>\$ (7,553)</u>	<u>\$ 35,600</u>	<u>\$ 33,887</u>	<u>\$ (5,840)</u>
<b><i>U.S. Dept. of Education</i></b>						
Direct Program						
Title VIII - Impact Aid	84.041	591, 592	\$ -	\$ 90,612	\$ 90,612	\$ -
Title VII - Indian Education Formula Grant	84.060A	561	-	137,765	175,454	(37,689)
			<u>\$ -</u>	<u>\$ 228,377</u>	<u>\$ 266,066</u>	<u>\$ (37,689)</u>
<b><i>Passed Through State Department of Education:</i></b>						
Title I, Part A	84.010	511, 515, 518	\$ (240,522)	\$ 944,354	\$ 1,028,413	\$ (324,581)
Title I Cluster			<u>\$ (240,522)</u>	<u>\$ 944,354</u>	<u>\$ 1,028,413</u>	<u>\$ (324,581)</u>
IDEA, Part B - Flow Through	84.027	613, 621 , 625	\$ (155,921)	\$ 626,380	\$ 620,511	\$ (150,052)
IDEA, Part B - Preschool, Ages 3-5	84.173	641	(3,959)	15,998	15,861	(3,822)
Special Education Cluster			<u>\$ (159,880)</u>	<u>\$ 642,378</u>	<u>\$ 636,372</u>	<u>\$ (153,874)</u>
Title II, Part A - Improving Teacher and Principal Quality	84.367	541, 543	(61,662)	186,988	208,339	(83,013)
Title III, Part A - Limited English Proficiency	84.365	572	(4,593)	35,323	30,730	-
Title VI, Part B Rural and Low-Income School Program	84.358B	587	-	60,795	60,795	-
Job Training	84.126	456	-	7,638	7,638	-
Gear Up Grant	84.334	770	28,852	72,189	98,397	2,644
Adult Education and Literacy	84.002	731	(109,683)	109,683	123,684	(123,684)

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Supplemental Schedule  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

	Federal CFDA Number	Pass Through Grantor's Project Number	Balance 6/30/2014	Federal Grant Receipts	Federal Grant Cash Basis Expenditures	Balance 6/30/2015
<i>U.S. Dept. of Education - continued</i>						
<i>Passed Through State Department of Education:</i>						
Title X, Part C - McKinney-Vento Homeless	84.196	596	(2,941)	18,556	19,991	(4,376)
<b>Total U.S. Department of Education</b>			<u>\$ (550,429)</u>	<u>\$ 2,306,281</u>	<u>\$ 2,480,425</u>	<u>\$ (724,573)</u>
<i>U.S. Department of Agriculture</i>						
<i>Passed Through State Department of Education:</i>						
National School Lunch Program	10.555	763	-	\$ 1,131,895	\$ 1,013,908	\$ 117,987
School Breakfast Program	10.553	764	-	405,008	405,008	-
Summer Food Service Program	10.559	766	(23,040)	23,040	23,312	(23,312)
Lunch Program - Commodities	10.555	763	-	90,128	90,128	-
Summer Food Service Program -Commodities	10.559	766	-	2,072	2,072	-
Child Nutrition Cluster			<u>\$ (23,040)</u>	<u>\$ 1,652,143</u>	<u>\$ 1,534,428</u>	<u>\$ 94,675</u>
<b>Total U.S. Department of Agriculture</b>			<u>\$ (23,040)</u>	<u>\$ 1,652,143</u>	<u>\$ 1,534,428</u>	<u>\$ 94,675</u>
<i>U.S. Department of Health and Human Services</i>						
<i>Passed Through centers for Medicare and Medicaid and Oklahoma Health Care Authority:</i>						
Medical Assistance Program (Medicaid)	93.778	698	-	\$ 19,705	\$ 19,705	-
<b>Total U.S. Dept. of Health and Human Services</b>			<u>\$ -</u>	<u>\$ 19,705</u>	<u>\$ 19,705</u>	<u>\$ -</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ (581,022)</u>	<u>\$ 4,013,729</u>	<u>\$ 4,068,445</u>	<u>\$ (635,738)</u>

ARDMORE SCHOOL DISTRICT NO. I-19  
Carter County, Oklahoma  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

Basis of Presentation: The schedule of expenditures of federal awards includes the federal grant activity of Ardmore School District I-19, Carter County, Oklahoma. The schedule of expenditures of federal awards is prepared using the cash basis of accounting. Some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statement. Nonmonetary assistance is reported in the schedule at the fair market value of commodities received.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

To the Board of Education  
Ardmore School District, No. I-19, Carter County, Oklahoma  
Ardmore, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ardmore School District No. I-19, Carter County, Oklahoma, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Ardmore School District No. I-19, Carter County, Oklahoma's basic financial statements and have issued our report thereon dated March 28, 2016. Our opinions were modified because the District prepares its financial statements on a prescribed regulatory basis of accounting.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Ardmore School District No. I-19, Carter County, Oklahoma'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 Ardmore School District No. I-19, Carter County, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of Ardmore School District No. I-19, Carter County, Oklahoma's internal control.

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

100 E Street S.W. , Suite 200 | Ardmore, OK 73401

Telephone (580) 223-6454 | FAX 1-800-858-9329

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Ardmore School District No. I-19, Carter County, Oklahoma'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rahhal Henderson Johnson, PLLC*

Ardmore, Oklahoma  
March 28, 2016



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

To the Board of Education  
Ardmore School District, No. I-19, Carter County, Oklahoma  
Ardmore, Oklahoma

**Report on Compliance for Each Major Federal Program**

We have audited Ardmore School District, No. I-19, Carter County, Oklahoma's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Ardmore School District, No. I-19, Carter County, Oklahoma's major federal programs for the year ended June 30, 2015. Ardmore School District, No. I-19, Carter County, Oklahoma'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 Ardmore School District, No. I-19, Carter County, Oklahoma'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 Ardmore School District, No. I-19, Carter County, Oklahoma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

100 E Street S.W. , Suite 200 | Ardmore, OK 73401

Telephone (580) 223-6454 | FAX 1-800-858-9329

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 Ardmore School District, No. I-19, Carter County, Oklahoma's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Ardmore School District, No. I-19, Carter County, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of Ardmore School District, No. I-19, Carter County, Oklahoma is responsible for establishing and maintaining effective internal control over compliance referred to above. In planning and performing our audit, we considered Ardmore School District, No. I-19, Carter County, Oklahoma's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that appropriate in the circumstances for the purpose of expressing our 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 Ardmore School District, No. I-19, Carter County, Oklahoma'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, as defined above. 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.

*Rahhal Henderson Johnson, PLLC*

Ardmore, Oklahoma  
March 28, 2016



ARDMORE SCHOOL DISTRICT I-19  
 Carter County, Oklahoma  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2015

**Section I Summary of Auditor's Results**

**Financial Statements:**

Type of auditor's report issued	Unmodified Regulatory Basis	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant Deficiency(ies) identified?	_____ Yes	_____ <u>X</u> None Reported
Noncompliance material to financial statement	_____ Yes	_____ <u>X</u> No

**Federal Awards:**

Internal control over major program:		
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant Deficiency(ies) identified ?	_____ Yes	_____ <u>X</u> None Reported

Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_____ Yes	_____ <u>X</u> No

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.027; 84.173	Special Education Cluster (IDEA)
10.553; 10.555; 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$	300,000
Auditee qualified as a low-risk auditee?	_____ <u>X</u> Yes	_____ No

ARDMORE SCHOOL DISTRICT I-19  
Carter County, Oklahoma  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2015

**Section II – Financial Statement Findings**

None

**Section III – Federal Award Findings and Questioned Costs**

None

ARDMORE SCHOOL DISTRICT I-19  
Carter County, Oklahoma  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2015

**Financial Statement Findings**

None

**Federal Award Findings and Questioned Costs**

None

**Other Oklahoma Department of Education Requirements**

**ARDMORE SCHOOL DISTRICT I-19**  
**Carter County, Oklahoma**  
***Schedule of Accountant's Professional Liability Insurance Affidavit (unaudited)***  
***For the Year Ended June 30, 2015***

The District has a public official position bond with Western Surety Company. The bond number is 71188518. This bond covers the superintendent for \$100,000. The term is July 1, 2014 to June 30, 2015.

The District has a public official position bond with Western Surety Company. The bond number is 69537183. This bond covers the treasurer for \$100,000. The term is July 1, 2014 to June 30, 2015.

The District has a blanket bond with Western Surety Company, bond number 70784644 for various positions including the minutes clerk, encumbrance clerk and activity fund custodian, in the amount of \$100,000. The term is July 1, 2014 to June 30, 2015.

**ARDMORE SCHOOL DISTRICT I-19**  
**Carter County, Oklahoma**  
**Schedule of Accountant's Professional Liability Insurance Affidavit (unaudited)**  
**For the Year Ended June 30, 2015**

State of Oklahoma )

County of Carter )

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 Ardmore School District I-19 for the audit year 2014-2015.

RAHHAL HENDERSON JOHNSON, PLLC

BY: Mary E. Johnson  
Authorized Agent

Subscribed and sworn to before me on this 29th day of March, 2016.

Brenda Richardson  
Notary Public

Commission Number: \_\_\_\_\_

My commission expires on \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

