

**ANNUAL FINANCIAL REPORT**  
**INDEPENDENT SCHOOL DISTRICT NO. 4**  
**CHOCTAW/NICOMA PARK PUBLIC SCHOOL DISTRICT**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**JULY 1, 2010 TO JUNE 30, 2011**

CHOCTAW/NICOMA PARK PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 4  
OKLAHOMA, COUNTY  
JUNE 30, 2011

**TABLE OF CONTENTS**

INDEPENDENT AUDITOR'S REPORT

COMBINED FINANCIAL STATEMENTS

- Combined Statement of Assets, Liabilities, and Equity – Regulatory Basis  
All Fund Types and Account Groups
- Combined Statement of Revenues Collected, Expenditures Paid, and Changes in Fund  
Balances – Regulatory Basis – All Governmental Fund Types
- Combined Statement of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual – Regulatory Basis – Budgeted Governmental Fund Types
- Notes to Combined Financial Statements

OTHER SUPPLEMENTARY INFORMATION

- Combining Statements of Assets, Liabilities, and Fund Balances – Regulatory  
Basis—All Special Revenue Funds
- Combining Statements of Revenues Collected, Expenditures Paid, and Changes in  
Fund Balances – Regulatory Basis – All Special Revenue Funds
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Budget and Actual – Regulatory Basis – All Special Revenue Funds
- Combining Statements of Assets, Liabilities, and Fund Balances – Regulatory  
Basis—All Capital Project Funds
- Combining Statements of Revenues Collected, Expenditures Paid, and Changes in  
Fund Balances – Regulatory Basis – All Capital Project Funds
- Combining Statement of Changes in Cash Balances – Regulatory Basis – Activity  
Funds
- Supporting Schedules
  - Schedule of Federal Awards Expended
  - Statutory, Fidelity, and Honesty Bonds

INTERNAL CONTROL AND COMPLIANCE REPORTS

- Report on the Internal Control and Compliance over Financial Reporting in  
Accordance with Government Auditing Standards
- Single Audit Report on Internal Control and Compliance over Major Federal  
Programs

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

ACCOUNTANTS' PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT

MANAGEMENT LETTER COMMENTS/ MANAGEMENT'S RESPONSE

CHOCTAW/NICOMA PARK PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 4  
OKLAHOMA, COUNTY  
JULY 1, 2010 TO JUNE 30, 2011

SCHOOL DISTRICT BOARD MEMBERS

James Alsup  
Elizabeth Parker  
Janice Modisette  
Pam Matherly  
Eileen Wilson – July 1, 2010 to June 6, 2011  
Daryl Crusoe – June 6, 2011 to June 30, 2011

SUPERINTENDENT OF SCHOOL DISTRICT

Jim McCharen

CLERK OF THE BOARD

Pam Matherly

SCHOOL DISTRICT TREASURER

Kevin Berry

# PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

169 S.E. 32<sup>ND</sup>

EDMOND, OKLAHOMA 73013

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education  
Choctaw/Nicoma Park Independent School District No. 4  
Oklahoma County, Oklahoma

We have audited the accompanying fund type and account group financial statements of Choctaw/Nicoma Park School District No. 4, Oklahoma County, Oklahoma, as listed in the table of contents as combined financial statements, as of and for the year ended June 30, 2011. These financial statements are the responsibility of the Choctaw/Nicoma Park School District, No. 4, Oklahoma County, Oklahoma. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, these financial statements were prepared in conformity with the accounting and financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and equity arising from regulatory basis transactions of each fund type and account group of Choctaw/Nicoma Park School District No. 4, Oklahoma, as of June 30, 2011, and the revenues collected, expenditures paid/expenses, and cash flows of each fund type, where applicable, for the year then ended on the regulatory basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2012, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the fund type and account group financial statements within the combined financial statement. The combining fund statements and schedules and other schedules as listed in the table of contents under other supplementary information are presented for purposes of additional analysis. This other supplementary information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole on the regulatory basis of accounting described in Note 1.

This report is intended solely for the information and use of the Board of Education of Choctaw/Nicoma Park School District No. 4, Oklahoma State Department of Education, and certain federal regulatory agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Putnam & Company*  
Putnam & Company, PLLC

Edmond, Oklahoma  
February 7, 2012

## **COMBINED FINANCIAL STATEMENTS**

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
COMBINED STATEMENT OF ASSETS AND LIABILITIES  
(ALL FUND TYPES AND ACCOUNT GROUPS) - REGULATORY BASIS  
JUNE 30, 2011**

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Totals
	General	Special Revenue	Debt Service	Capital Projects Fund	Trust and Agency	General Long-Term Debt	(Memorandum Only)
<b>ASSETS</b>							
Cash and Cash Equivalents	\$5,574,947	394,605	3,459,987	8,600,289	566,651		18,596,479
Amount available in Debt Service Fund						208,202	208,202
Amount to be provided for retirement of General Long-Term Debt						17,473,993	17,473,993
<b>Total Assets</b>	<b>\$5,574,947</b>	<b>394,605</b>	<b>3,459,987</b>	<b>8,600,289</b>	<b>566,651</b>	<b>17,682,195</b>	<b>36,278,674</b>
<b>LIABILITIES</b>							
Warrants Payable	\$3,641,295	141,350		24,204	16,619		3,823,468
General Obligation Bonds Payable			3,125,000			16,820,000	19,945,000
Interest Payable on Bonds			126,785			862,195	988,980
<b>Total Liabilities</b>	<b>3,641,295</b>	<b>141,350</b>	<b>3,251,785</b>	<b>24,204</b>	<b>16,619</b>	<b>17,682,195</b>	<b>24,757,448</b>
<b>FUND EQUITY</b>							
Fund Balances:							
Reserved for Encumbrances	375,524	65,184		258,795	2,273		701,776
Designated for Debt Service			208,202				208,202
Designated for Student Activities					541,540		541,540
Designated for Capital Projects				8,317,290			8,317,290
Fund Balance	1,558,128	188,071			6,219		1,752,418
<b>Total Fund Balance</b>	<b>1,933,652</b>	<b>253,255</b>	<b>208,202</b>	<b>8,576,085</b>	<b>550,032</b>	<b>0</b>	<b>11,521,226</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$5,574,947</b>	<b>394,605</b>	<b>3,459,987</b>	<b>8,600,289</b>	<b>566,651</b>	<b>17,682,195</b>	<b>36,278,674</b>

The notes to the financial statements are an integral part of this statement.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Governmental Fund Types				Fiduciary Fund Types	Totals
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	(Memorandum Only)
<b>REVENUES:</b>						
Local Sources	\$6,346,115	1,733,496	4,545,578	0	981,665	13,606,854
Intermediate Sources	1,208,778					1,208,778
State Sources	17,826,052	91,184				17,917,236
Federal Sources	4,249,319	708,069				4,957,388
<b>Total Revenues</b>	<b>29,630,264</b>	<b>2,532,749</b>	<b>4,545,578</b>	<b>0</b>	<b>981,665</b>	<b>37,690,256</b>
<b>EXPENDITURES:</b>						
Instruction	17,942,712			671,150	301,391	18,915,253
Support Services	10,615,280	866,267		832,514	241,744	12,555,805
Non-Instructional Services		1,644,733			290,411	1,935,144
Facilities Acquisition & Construction Services				1,980,010	4,200	1,984,210
Other Outlays	528				29,081	29,609
Other Uses		684			6,147	6,831
Repayments	3,092	1,128			22,500	26,720
Bank Charges	23,395	26				23,421
<b>DEBT SERVICE</b>						
Bonds Paid			4,103,750			4,103,750
Coupons Paid			408,181			408,181
<b>Total Expenditures</b>	<b>28,585,007</b>	<b>2,512,838</b>	<b>4,511,931</b>	<b>3,483,674</b>	<b>895,474</b>	<b>39,988,924</b>
Revenues Over (Under) Expenditures	1,045,257	19,911	33,647	(3,483,674)	86,191	(2,298,668)
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from Sale of Bonds				5,975,000		5,975,000
Loan Among Funds		60,863	(60,863)			0
Transfer Among Funds		(10,174)				(10,174)
Due From Other Funds			60,863			60,863
Return of Assets	(51,092)	684				(50,408)
Estopped Warrants	577	33				610
Deobligation of Prior Year Funds	25,018	22,529		1,615		49,162
<b>Total Other Financing Sources (Uses)</b>	<b>(25,497)</b>	<b>73,935</b>	<b>0</b>	<b>5,976,615</b>	<b>0</b>	<b>6,025,053</b>
Revenue and Other Sources Over (Under) Expenditures and Other Uses	1,019,760	93,846	33,647	2,492,941	86,191	3,726,385
Fund Balance, Beginning of Year	538,368	94,225	174,555	5,824,349	461,568	7,093,065
<b>Fund Balance, End of Year</b>	<b>\$1,558,128</b>	<b>188,071</b>	<b>208,202</b>	<b>8,317,290</b>	<b>547,759</b>	<b>10,819,450</b>

The notes to the financial statements are an integral part of this statement.



**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - REGULATORY BASIS  
GENERAL FUND AND BUDGETED SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	General Fund			Special Revenue Funds			
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>							
Local Sources	\$5,784,275	6,346,115	561,840	1,661,769	1,735,290	1,733,496	(1,794)
Intermediate Sources	1,170,123	1,208,778	38,655				0
State Sources	16,874,024	17,826,052	952,028	85,315	85,315	91,184	5,869
Federal Sources	4,156,466	4,249,319	92,853	694,000	694,000	708,069	14,069
<b>Total Revenues</b>	<b>27,984,888</b>	<b>29,630,264</b>	<b>1,645,376</b>	<b>2,441,084</b>	<b>2,514,605</b>	<b>2,532,749</b>	<b>18,144</b>
<b>EXPENDITURES :</b>							
Instruction	17,929,356	17,942,712	(13,356)				0
Support Services	10,615,280	10,615,280	0	778,697	852,218	866,267	(14,049)
Non-Instructional Services			0	1,647,100	1,647,100	1,644,733	2,367
Facilities Acquisition & Construction Services			0	60,000	60,000		60,000
Other Outlays	528	528	0	500	500		500
Other Uses			0	48,012	48,012	684	47,328
Repayments	3,092	3,092	0	1,000	1,000	1,128	(128)
Bank Charges		23,395	(23,395)			26	(26)
<b>Total Expenditures</b>	<b>28,548,256</b>	<b>28,585,007</b>	<b>(36,751)</b>	<b>2,535,309</b>	<b>2,608,830</b>	<b>2,512,838</b>	<b>95,992</b>
Revenues Over (Under) Expenditures	(563,368)	1,045,257	1,608,625	(94,225)	(94,225)	19,911	114,136
<b>OTHER FINANCING SOURCES (USES):</b>							
Return of Assets	25,000	(51,092)	(76,092)			684	684
Loan Among Funds			0			60,863	60,863
Transfer to Activity Fund			0			(10,174)	(10,174)
Estopped Warrants		577	577			33	33
Deobligation of Prior Year Funds		25,018	25,018			22,529	22,529
<b>Total Other Financing Sources (Uses)</b>	<b>25,000</b>	<b>(25,497)</b>	<b>(50,497)</b>	<b>0</b>	<b>0</b>	<b>73,935</b>	<b>73,935</b>
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(538,368)	1,019,760	1,558,128	(94,225)	(94,225)	93,846	188,071
Fund Balance, Beginning of Year	538,368	538,368	0	94,225	94,225	94,225	0
Fund Balance, End of Year	\$0	1,558,128	1,558,128	0	0	188,071	188,071

The notes to financial statements are an integral part of this statement.

## **NOTES TO FINANCIAL STATEMENTS**

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Choctaw/Nicoma Park Public Schools Independent District No. 4, Oklahoma County, Oklahoma (the "District") have been prepared in conformity with an other comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

The District is a corporate body for public purposes created under Title 70 of the Oklahoma statutes and accordingly is a separate entity for operating and financial reporting purposes.

The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

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

In evaluating how to define the district, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities.

Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

**B. Fund Accounting and Description of Funds**

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain district functions or activities.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**B. Fund Accounting and Description of Funds – (continued)**

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.”

**Governmental Fund Types**

Governmental funds are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

General Fund – The general fund is used to account for all financial transactions, except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Salary Incentive Aid program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

Special Revenue Fund – The special revenue fund is the District’s Building Fund. The Building Fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment.

The Child Nutrition Fund derives monies from State, Federal and local sources.

Debt Service Fund – The debt service fund is the District’s Sinking Fund and is used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

Capital Projects Fund – The capital projects fund is the District’s Bond Fund and is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

**Fiduciary Fund Types**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a trust agreement, trust funds are used for their accounting and reporting. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Agency Fund – The Agency fund is the School Activities fund, which is used to account for monies, collected principally through fundraising efforts of the students and District-sponsored groups. The administration is responsible, under the authority of the Board, of collecting, disbursing and accounting for these activity funds.

Account Groups

Account groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt and general fixed assets not accounted for in proprietary funds.

General Long-Term Debt Account Group – This account group was established to account for all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for liabilities for compensated absences and early retirement incentives, which are to be paid from funds provided in future years.

General Fixed Asset Account Group – This account group is used to account for property, plant, and equipment of the school district. The District does not have the information necessary to include this group in its combined financial statements.

Memorandum Only – Total Column - The total column on the general purpose financial statements is captioned “memorandum only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. Basis of Accounting and Presentation

The District prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements-Management’s Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.

The basic financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma State Department of Education (OSDE) as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Investments and inventories are recorded as assets when purchased.
- Capital assets in proprietary funds are recorded when acquired and depreciated over their useful lives.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

C. Basis of Accounting and Presentation – (continued)

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

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the second Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

The District may upon approval by a majority of the electors of the District voting on the question make the ad valorem levy for emergency levy and local support levy permanent. Under current Oklahoma Statutes, a formal budget is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories.

E. Assets, Liabilities, and Fund Equity

Cash and Cash Equivalents – For purposes of the statement of cash flows, the District considers all cash on hand, demand deposits, and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

Investments – Investments consist of direct obligations of the United States Government and Agencies with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

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

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

E. Assets, Liabilities, and Fund Equity – (continued)

Inventories – The value of consumable inventories at June 30, 2011 is not material to the basic financial statements.

Capital Assets – The accounting treatment over capital assets (property, plant, and equipment) depends on whether the assets are used in governmental fund-type operations or proprietary fund-type operations. Fixed assets used in governmental fund-type operations (general fixed assets) are recorded for as capital outlay expenditures of the governmental fund-type upon acquisition and are recorded as property, plant, and equipment in the General Fixed Asset Account Group. Fixed assets used in proprietary fund-type operations are accounted for as property, plant, and equipment within the proprietary fund itself.

All fixed assets are valued at historical cost, or estimated cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

Depreciation and accumulated depreciation are not reported against general fixed assets.

Compensated Absences – The district provides vacation and sick leave benefits in accordance with Oklahoma Statutes, which provides for annual sick leave and personal business days. Accrued vacation and sick leave benefits are not reflected in the financial statements because such statements are prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. There are no amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources.

Long-Term Debt – Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Balance – Fund balance represents the cash and investments not encumbered by purchase order, legal contracts, and outstanding warrants.

F. Revenue, Expenses, and Expenditures

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.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

F. Revenue, Expenses, and Expenditures – (continued)

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. These rules also require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

Interfund Transactions – Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditure/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

**2. DEPOSIT AND INVESTMENT RISKS**

***Custodial Credit Risk*** - The District's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct debt obligations of the state, municipalities, counties, and school districts in the state of Oklahoma, surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the District must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2011, the District was not exposed to custodial credit risk as defined above.

***Investment Credit Risk*** – The District's investment policy limits investments to those allowed in state law applicable to school districts as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.



**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

***Investment Credit Risk (continued)*** - Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

***Investment Interest Rate Risk*** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District’s investment policy limits investments to those with a short-term maturities, as a means of managing exposure to fair value losses arising from increasing interest rates. The District discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

***Concentration of Investment Credit Risk*** – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The District’s investment policy requires diversification of investments.

At June 30, 2011, the District had no concentration of credit risk as defined above.

**3. INTERFUND RECEIVABLES AND PAYABLES**

There were no Interfund receivables or payables at June 30, 2011.

**4. GENERAL LONG-TERM DEBT**

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District’s voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**4. GENERAL LONG-TERM DEBT** -(continued)

General long-term debt of the District consists of bonds payable, obligations for compensated absences, and capital leases. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2011:

	Bonds <u>Payable</u>		<u>Total</u>
Balance, July 1, 2010	\$ 18,555,000		\$ 18,555,000
Additions	5,975,000		5,975,000
Retirements	4,585,000		4,585,000
Balance, June 30, 2011	\$19,945,000		\$ 19,945,000

A brief description of the outstanding general obligation bond issues at June 30, 2011 is set forth below:

	<u>Amount Outstanding</u>
Independent School District No. 4 Building Bonds, Series 2011, original Issue \$4,365,000, interest rate of 1.00% to 1.875%, due in an annual installments of \$1,475,000, final payment of \$1,500,000 due June 1, 2016.	\$ 5,975,000
Independent School District No. 4 Building Bonds, Series 2010, original Issue \$4,365,000, interest rate of 1.875% to 2.125%, due in an annual installments of \$1,065,000, final payment of \$1,100,000 due June 1, 2015.	4,365,000
Independent School District No. 4 Building Bonds, Series 2009, original Issue \$4,015,000, interest rate of 2.00% to 2.35%, due in an annual installments of \$1,000,000, final payment of \$1,015,000 due June 1, 2014.	3,015,000
Independent School District No. 4 General Obligation Bonds, Series 2008, original Issue \$4,235,000, interest rate of 3.20% to 4.50%, due in annual installments of \$1,050,000, final payment of \$1,085,000 due July 1, 2013.	3,185,000

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**4. GENERAL LONG-TERM DEBT** -(continued)

Independent School District No. 4 General Obligation Bonds, Series 2007, original Issue \$5,405,000, interest rate of 3.60% to 4.00%, due in an annual installments of \$1,350,000, final payment of \$1,350,000 due July 1, 2012.	2,705,000
Independent School District No. 4 General Obligation Bonds, Series 2006, original Issue \$2,760,000, interest rate of 3.50% to 4.70%, due in annual installments of \$660,000, final payment of \$700,000 due July 1, 2011.	<u>700,000</u>
<b>TOTAL</b>	<b><u>\$19,945,000</u></b>

The annual debt service requirements for retirement of bond principal and payment of interest are as follows:

Year ending <u>June 30</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 5,165,000	\$ 451,304	\$ 5,616,304
2013	5,980,000	299,754	6,279,754
2014	4,700,000	145,547	4,845,547
2015	2,600,000	67,625	2,667,625
2016	1,500,000	24,750	1,524,750
	<u>\$ 19,945,000</u>	<u>\$ 988,980</u>	<u>\$ 20,933,980</u>

Interest expense on general long-term debt incurred during the current year totaled \$408,181.

**5. EMPLOYEE RETIREMENT SYSTEM**

The District participates in the state-administered Oklahoma Teachers' Retirement System (the "System"), which is a cost-sharing, multiple-employer Public Employee Retirement System. Under the System, the District, the State of Oklahoma, and the participating employees make contributions. Participation is required for all teachers and other certified employees and is optional for all other regular employees of public educational institutions who work at least 20 hours per week. A participant's date of membership is the date the first contribution is made to the System. The System is administered by a board of trustees which acts as a fiduciary for investing the funds and governing the administration of the System. The District has no responsibility or authority for the operation and administration of the System nor has it any liability, except for the current contribution requirements.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**5. EMPLOYEE RETIREMENT SYSTEM - (continued)**

The System issues an independent financial report, financial statements, and required supplementary information that can be obtained in writing at the Teachers' Retirement System of Oklahoma, Post Office Box 53524, Oklahoma City, OK 73152 or by calling 405-521-2387.

A participant with ten years of creditable service may retire with a normal retirement allowance at the age of sixty-two or with reduced benefits as early as age fifty-five. The normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised, equals two percent of the average of the highest three earning years of contributory service multiplied by the number of years of credited service. A participant leaving employment before attaining retirement age, but completing ten years of service, may elect to vest his accumulated contributions and defer receipt of a retirement annuity until a later date. When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit, and the participant's contributions plus interest. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit, elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death. The contribution rates for the Districts, which are not actuarially determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits.

The System's accounting records are maintained on the cash basis of accounting, except for accruals of interest income.

Ten-year historical trend information is presented in the Teachers' Retirement System of Oklahoma Annual Report for the year ended June 30, 2011. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

**6. 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.

**7. RISK MANAGEMENT AND LITIGATION**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, employees' health and life, and natural disasters. The District manages these various risks of loss through the purchase of commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

**8. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through February 7, 2012, which is the date the financial statements were issued.

**OTHER SUPPLEMENTARY INFORMATION**

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS**  
**SPECIAL REVENUE FUNDS**  
**JUNE 30, 2011**

	BUILDING FUND	CHILD NUTRITION FUND	MAPS FUND	TOTALS (Memorandum Only)
<u>ASSETS</u>				
Cash and Cash Equivalents	\$157,760	236,845	0	394,605
Total Assets	\$157,760	236,845	0	394,605
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Warrants Outstanding	\$20,469	120,881	0	141,350
Total Liabilities	20,469	120,881	0	141,350
Fund Equity:				
Reserved for Encumbrances	65,184			65,184
Fund Balance	72,107	115,964	0	188,071
Total Fund Equity	137,291	115,964	0	253,255
Total Liabilities and Fund Equity	\$157,760	236,845	0	394,605

The notes to the financial statements are an integral part of this statement.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - REGULATORY BASIS  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>MAPS FUND</u>	<u>TOTALS (Memorandum Only)</u>
<b>Revenues:</b>				
Local Sources	\$880,160	853,336		1,733,496
State Sources		91,184		91,184
Federal Sources		708,069		708,069
<b>Total Revenues Collected</b>	<u>880,160</u>	<u>1,652,589</u>	<u>0</u>	<u>2,532,749</u>
<b>Expenditures:</b>				
Support Services	866,267			866,267
Non-Instructional Services		1,644,733		1,644,733
Other Uses	655	29		684
Repayments		1,128		1,128
Bank Charges		26		26
<b>Total Expenditures</b>	<u>866,922</u>	<u>1,645,916</u>	<u>0</u>	<u>2,512,838</u>
<b>Excess of Revenues Over Expenditures</b>	<u>13,238</u>	<u>6,673</u>	<u>0</u>	<u>19,911</u>
<b>Other Financing Sources (Uses):</b>				
Return of Assets	655	29		684
Loan Among Funds		60,863		60,863
Transfer to Activity Fund		(10,174)		(10,174)
Estopped Warrants		33		33
Deobligation of Prior Year Funds	12,586	9,943		22,529
<b>Total Other Financing Sources (Uses):</b>	<u>13,241</u>	<u>60,694</u>	<u>0</u>	<u>73,935</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>26,479</u>	<u>67,367</u>	<u>0</u>	<u>93,846</u>
<b>Fund Balance, Beginning of Year</b>	<u>45,628</u>	<u>48,597</u>	<u>0</u>	<u>94,225</u>
<b>Fund Balance, End of Year</b>	<u><u>\$72,107</u></u>	<u><u>115,964</u></u>	<u><u>0</u></u>	<u><u>188,071</u></u>

The notes to the financial statements are an integral part of this statement.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGETED SPECIAL REVENUE FUNDS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Building Fund				Child Nutrition Fund			Maps Fund		
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>										
Local Sources	\$801,469	874,990	880,160	78,691	860,300	853,336	(6,964)			0
State Sources				0	85,315	91,184	5,869			0
Federal Sources				0	694,000	708,069	14,069			0
<b>Total Revenues</b>	<b>801,469</b>	<b>874,990</b>	<b>880,160</b>	<b>78,691</b>	<b>1,639,615</b>	<b>1,652,589</b>	<b>12,974</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EXPENDITURES :</b>										
Support Services	778,697	852,218	866,267	(87,570)			0			0
Operation of Non-Instructional Services				0	1,647,100	1,644,733	2,367			0
Facilities Acquisition & Construction Services	60,000	60,000		60,000			0			0
Other Outlays				0	500	29	471			0
Other Uses	8,400	8,400	655	7,745	39,612		39,612			0
Repayments				0	1,000	1,128	(128)			0
Bank Charges				0		26	(26)			0
<b>Total Expenditures</b>	<b>847,097</b>	<b>920,618</b>	<b>866,922</b>	<b>(19,825)</b>	<b>1,688,212</b>	<b>1,645,916</b>	<b>42,296</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(45,628)</b>	<b>(45,628)</b>	<b>13,238</b>	<b>58,866</b>	<b>(48,597)</b>	<b>6,673</b>	<b>55,270</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Estopped Warrants				0		33	33			0
Loan Among Funds				0		60,863	60,863			0
Transfer to Activity Fund				0		(10,174)	(10,174)			0
Return of Assets			655	655		29	29			0
Deobligation of Prior Year Funds			12,586	12,586		9,943	9,943			0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>13,241</b>	<b>13,241</b>	<b>0</b>	<b>60,694</b>	<b>60,694</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenue and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(45,628)</b>	<b>(45,628)</b>	<b>26,479</b>	<b>72,107</b>	<b>(48,597)</b>	<b>67,367</b>	<b>115,964</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance, Beginning of Year</b>	<b>45,628</b>	<b>45,628</b>	<b>45,628</b>	<b>0</b>	<b>48,597</b>	<b>48,597</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance, End of Year</b>	<b>\$0</b>	<b>0</b>	<b>72,107</b>	<b>72,107</b>	<b>0</b>	<b>115,964</b>	<b>115,964</b>	<b>0</b>	<b>0</b>	<b>0</b>

The notes to financial statements are an integral part of this statement.



CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
 OKLAHOMA COUNTY, OKLAHOMA  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS  
 CAPITAL PROJECTS FUNDS  
 JUNE 30, 2011

	BOND FUND #31	BOND FUND #33	BOND FUND #34	BOND FUND #35	BOND FUND #36	BOND FUND #37	BOND FUND #38	BOND FUND #39	TOTALS (Memorandum Only)
<b>ASSETS</b>									
Cash and Cash Equivalents	\$5,975,000	0	0	2,443,860	0	15,123	48,143	118,163	8,600,289
<b>Total Assets</b>	<b>\$5,975,000</b>	<b>0</b>	<b>0</b>	<b>2,443,860</b>	<b>0</b>	<b>15,123</b>	<b>48,143</b>	<b>118,163</b>	<b>8,600,289</b>
<b>LIABILITIES AND FUND EQUITY</b>									
Liabilities:									
Warrants Outstanding	\$0			5,541			573	18,090	24,204
<b>Total Liabilities</b>	<b>\$0</b>	<b>0</b>	<b>0</b>	<b>5,541</b>	<b>0</b>	<b>0</b>	<b>573</b>	<b>18,090</b>	<b>24,204</b>
Fund Equity:									
Reserved for Encumbrances				244,311		3,517	10,967		258,795
Fund Balance	5,975,000	0	0	2,194,008	0	11,606	36,603	100,073	8,317,290
<b>Total Fund Equity</b>	<b>5,975,000</b>	<b>0</b>	<b>0</b>	<b>2,438,319</b>	<b>0</b>	<b>15,123</b>	<b>47,570</b>	<b>100,073</b>	<b>8,576,085</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$5,975,000</b>	<b>0</b>	<b>0</b>	<b>2,443,860</b>	<b>0</b>	<b>15,123</b>	<b>48,143</b>	<b>118,163</b>	<b>8,600,289</b>

The notes to the financial statements are an integral part of this statement.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - REGULATORY BASIS**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	BOND FUND #32	BOND FUND #33	BOND FUND #34	BOND FUND #35	BOND FUND #36	BOND FUND #37	BOND FUND #38	BOND FUND #39	TOTALS (Memorandum Only)
<b>Revenues:</b>									
Local Sources	\$0								0
Total Revenues Collected	0	0	0	0	0	0	0	0	0
<b>Expenditures:</b>									
Instruction				396,654	2,779	3,516	987	267,214	671,150
Support Services		5,043	13,431	491,601		400	65,781	256,258	832,514
Facilities Acquisition & Constr. Srv.				1,282,737		4,037	33,308	659,928	1,980,010
Total Expenditures	0	5,043	13,431	2,170,992	2,779	7,953	100,076	1,183,400	3,483,674
Excess of Revenues Over Expenditures	0	(5,043)	(13,431)	(2,170,992)	(2,779)	(7,953)	(100,076)	(1,183,400)	(3,483,674)
<b>Other Financing Sources (Uses):</b>									
Proceeds from Sale of Bonds	5,975,000								5,975,000
Deobligation of Prior Year Funds								1,615	1,615
Total Other Financing Sources (Uses):	5,975,000	0	0	0	0	0	0	1,615	5,976,615
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	5,975,000	(5,043)	(13,431)	(2,170,992)	(2,779)	(7,953)	(100,076)	(1,181,785)	2,492,941
Fund Balance, Beginning of Year	0	5,043	13,431	4,365,000	2,779	19,559	136,679	1,281,858	5,824,349
Fund Balance, End of Year	<u>\$5,975,000</u>	<u>0</u>	<u>0</u>	<u>2,194,008</u>	<u>0</u>	<u>11,606</u>	<u>36,603</u>	<u>100,073</u>	<u>8,317,290</u>

The notes to the financial statements are an integral part of this statement.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS  
TRUST AND AGENCY FUNDS  
JUNE 30, 2011**

	<u>INSURANCE FUND</u>	<u>ACTIVITY FUND</u>	<u>TOTALS (Memorandum Only)</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	<u>\$15,069</u>	<u>551,582</u>	<u>566,651</u>
Total Assets	<u>\$15,069</u>	<u>551,582</u>	<u>566,651</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Warrants Outstanding	<u>\$6,577</u>	<u>10,042</u>	<u>16,619</u>
Total Liabilities	<u>6,577</u>	<u>10,042</u>	<u>16,619</u>
Fund Equity:			
Reserved for Encumbrances	2,273		2,273
Fund Balance	<u>6,219</u>	<u>541,540</u>	<u>547,759</u>
Total Fund Equity	<u>8,492</u>	<u>541,540</u>	<u>550,032</u>
Total Liabilities and Fund Equity	<u>\$15,069</u>	<u>551,582</u>	<u>566,651</u>

The notes to the financial statements are an integral part of this statement.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - REGULATORY BASIS  
TRUST AND AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>INSURANCE FUND</u>	<u>ACTIVITY FUND</u>	<u>TOTALS (Memorandum Only)</u>
Revenues:			
Local Sources	<u>\$36,780</u>	<u>944,885</u>	<u>981,665</u>
Total Revenues Collected	<u>36,780</u>	<u>944,885</u>	<u>981,665</u>
Expenditures:			
Instruction	2,661	298,730	301,391
Support Services	38,757	202,987	241,744
Non-Instructional Services		290,411	290,411
Facilities Acquisition & Construction Services		4,200	4,200
Other Outlays		29,081	29,081
Other Uses		6,147	6,147
Repayments		<u>22,500</u>	<u>22,500</u>
Total Expenditures	<u>41,418</u>	<u>854,056</u>	<u>895,474</u>
Excess of Revenues Over Expenditures	(4,638)	90,829	86,191
Other Financing Sources (Uses):			
Deobligation of Prior Year Funds			<u>0</u>
Total Other Financing Sources (Uses):	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(4,638)	90,829	86,191
Fund Balance, Beginning of Year	<u>10,857</u>	<u>450,711</u>	<u>461,568</u>
Fund Balance, End of Year	<u><u>\$6,219</u></u>	<u><u>541,540</u></u>	<u><u>547,759</u></u>

The notes to the financial statements are an integral part of this statement.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**REGULATORY BASIS - ACTIVITY FUND**  
**JULY 1, 2010 TO JUNE 30, 2011**

	Balance 7/1/10	Deposited	Transfers	Disbursed	Balance 6/30/11
Athletics	\$47,195.58	142,725.11	(256.00)	141,350.65	48,314.04
CHS Art	1,466.40	3,375.22	0.00	2,943.20	1,898.42
CHS KGI News	251.08	0.00	0.00	60.62	190.46
CHS Principles of Tech Ed	10.82	626.81	100.00	283.89	453.74
CHS Sophomore Class	332.61	0.00	(15.00)	55.15	262.46
CHS AP Testing	4,915.58	4,959.00	0.00	5,517.99	4,356.59
CHS Academic Team	753.97	1,168.26	0.00	460.80	1,461.43
CHS Junior Class	6,228.52	10,443.00	(45.00)	8,123.07	8,503.45
CHS Band	4,160.70	20,949.24	0.00	19,487.83	5,622.11
CHS Business	4,081.47	5,080.00	0.00	683.64	8,477.83
CHS FFA/Vo-Ag	8,238.69	27,016.35	(281.00)	20,920.83	14,053.21
CHS FHA/Home Ec	260.57	388.68	0.00	567.70	81.55
CHS Vocal Music	2,996.19	14,836.74	(65.00)	15,785.12	1,982.81
CHS Freshman Class	0.00	336.00	0.00	330.00	6.00
CHS Key Club	307.79	3,257.00	0.00	2,832.50	732.29
CHS Media Center	1,508.08	1,967.62	0.00	850.83	2,624.87
CHS Miscellaneous	20,418.13	22,052.86	(3,274.52)	24,933.48	14,262.99
CHS S.A.D.D.	1.47	0.00	0.00	0.00	1.47
CHS F.C.A.	151.45	0.00	0.00	0.00	151.45
CHS Honors Banquet	66.89	405.00	0.00	347.40	124.49
CHS Drama	1,597.86	15,280.89	37.52	13,353.15	3,563.12
CHS Cheer/Pom	11,066.65	14,885.64	0.00	11,812.15	14,140.14
CHS Senior Class	3,936.43	3,274.50	100.00	3,549.32	3,761.61
CHS Newspaper	41.48	0.00	0.00	0.00	41.48
CHS Special Ed	2,068.40	0.00	0.00	933.85	1,134.55
CHS Foreign Language	491.75	79.00	0.00	0.00	570.75
CHS FTA	600.00	0.00	0.00	0.00	600.00
CHS Student Council	25,972.57	20,230.27	20.00	12,580.78	33,642.06
CHS Science	1,136.69	3,791.00	0.00	1,775.57	3,152.12
CHS Mathematics	112.28	0.00	0.00	0.00	112.28
CHS NHS	2,682.23	3,244.00	0.00	3,390.47	2,535.76
CHS Debate	1,519.76	1,233.00	(30.00)	1,200.71	1,522.05
CHS Yearbook/Picture	17,915.93	20,578.64	0.00	11,087.25	27,407.32
CHS Special	7,259.82	8,022.49	(1,050.00)	6,378.75	7,853.56
CHS Musical Theater	5,309.26	42,432.65	(100.00)	30,047.14	17,594.77
CHS Cats	587.44	6,305.04	0.00	5,460.58	1,431.90
CHS New ROTC	1,842.99	13,754.39	1,500.00	14,208.42	2,888.96
CHS Stuco Donations	6.50	0.00	0.00	0.00	6.50
CMS Mixed Chorus	24.43	10,545.82	(15.00)	9,006.99	1,548.26
CMS Cheerleading	6,315.32	0.00	(25.00)	0.00	6,290.32
CMS Miscellaneous	4,189.30	12,179.58	(1,807.56)	11,424.76	3,136.56
CMS Modern Living (Home E	1,763.74	2,049.50	(50.00)	2,069.49	1,693.75
CMS English Dept	160.81	0.00	0.00	0.00	160.81
CMS Science	723.56	0.00	0.00	204.08	519.48

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**REGULATORY BASIS - ACTIVITY FUND**  
**JULY 1, 2010 TO JUNE 30, 2011**

	Balance 7/1/10	Deposited	Transfers	Disbursed	Balance 6/30/11
CMS Sixth	920.48	514.60	0.00	531.51	903.57
CMS Band	2,109.42	26,266.60	107.98	28,484.00	0.00
CMS Sports Acct	8,984.91	24,030.40	(500.00)	20,494.74	12,020.57
CMS Special Olympics	728.79	2,589.95	595.58	1,122.76	2,791.56
CMS Academic Team	413.69	998.20	(25.00)	611.52	775.37
CMS Speech Club	768.41	1,857.62	(150.00)	1,376.47	1,099.56
CMS Yearbook/Pictures	6,220.45	5,700.57	(25.00)	3,143.91	8,752.11
CMS Student Council	273.10	2,664.66	(50.00)	1,699.95	1,187.81
CMS Media Center	4,156.63	11,649.39	335.00	9,987.04	6,153.98
CMS Art	412.21	904.95	0.00	904.29	412.87
CMS AIASA	2,020.63	0.00	0.00	0.00	2,020.63
CMS Nat'l Honor Society	512.13	3,192.94	590.00	2,707.59	1,587.48
CMS Special	922.88	3,498.92	(300.00)	1,746.36	2,375.44
CMS Explore	609.63	263.75	0.00	357.19	516.19
CMS Seventh	326.41	170.00	0.00	0.00	496.41
NPMS 6th Team A	1,171.46	1,872.22	1,098.00	3,457.67	684.01
NPMS 6th Team B	625.30	760.60	1,320.60	1,793.85	912.65
NPMS 7th Team A	845.58	1,224.00	813.80	2,262.05	621.33
NPMS 7th Team B	751.05	1,521.00	783.00	2,253.71	801.34
NPMS 8th Team A	774.01	2,568.90	693.60	2,573.69	1,462.82
NPMS NJHS	280.56	3,800.52	0.00	3,970.62	110.46
NPMS Miscellaneous	5,511.82	37,300.44	(7,317.80)	31,283.90	4,210.56
NPMS Special Education	830.89	600.00	0.00	664.78	766.11
NPMS Sports	42.32	14,177.45	4,340.00	15,425.83	3,133.94
NPMS Teachers Lounge	1,671.57	2,925.28	(300.00)	2,834.56	1,462.29
NPMS Band	7,723.72	15,492.80	(20.00)	12,965.80	10,230.72
NPMS FHS	648.95	1,160.00	0.00	1,638.62	170.33
NPMS Cheerleading	2,869.11	225.00	(500.00)	882.50	1,711.61
NPMS Art	1,528.83	1,842.80	0.00	1,330.32	2,041.31
NPMS 8th Team B	219.19	3,054.50	517.80	2,423.81	1,367.68
NPMS Student Council	4,668.29	5,990.07	(1,638.00)	6,684.10	2,336.26
NPMS P.E. Program	81.50	0.00	0.00	0.00	81.50
NPMS Computer	562.02	1,654.00	0.00	1,662.38	553.64
NPMS Vocal Music	2,024.83	4,769.80	(800.00)	5,601.10	393.53
NPMS Yearbook/Pictures	2,304.00	7,561.40	2,400.00	8,578.25	3,687.15
NPMS English	1,631.13	1,352.00	0.00	1,693.85	1,289.28
NPMS Drama	2,260.14	1,435.45	(1,000.00)	2,039.82	655.77
NPMS Science	2,508.17	638.00	0.00	572.43	2,573.74
NPMS Media Center	1,650.01	6,958.58	(475.00)	5,062.96	3,070.63
NPMS FCA	133.75	605.00	0.00	329.28	409.47
NPMS Wrestling	46.88	0.00	0.00	0.00	46.88
CE Miscellaneous	28,862.84	22,978.82	(308.50)	22,624.74	28,908.42

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**REGULATORY BASIS - ACTIVITY FUND**  
**JULY 1, 2010 TO JUNE 30, 2011**

	Balance 7/1/10	Deposited	Transfers	Disbursed	Balance 6/30/11
CE Special Olympics	2,997.40	3,650.85	1,054.00	5,056.62	2,645.63
CE Media Center	927.89	8,205.09	0.00	6,793.63	2,339.35
CE Search	776.13	1,417.05	0.00	733.84	1,459.34
CE Yearbook	2,795.25	2,943.73	0.00	3,405.11	2,333.87
CE Staff	3,385.49	1,735.59	0.00	326.80	4,794.28
NPE Capital Improvements	8,957.42	0.00	0.00	398.98	8,558.44
NPE Miscellaneous	5,395.13	8,320.76	(10.00)	7,403.16	6,302.73
NPE Yearbook/Pictures	7,487.06	6,462.49	0.00	5,419.18	8,530.37
NPE Media Center	3,198.12	7,576.05	0.00	6,951.61	3,822.56
NPE Special	2,872.71	2,401.21	(300.00)	1,668.42	3,305.50
IME Miscellaneous	419.59	19,138.12	0.00	12,404.42	7,153.29
IME Yearbook/Pictures	9,548.99	18,647.48	1,797.00	16,646.21	13,347.26
IME Teachers Lounge	2,654.04	4,003.36	(300.00)	3,244.41	3,112.99
IME Media Center	2,039.30	10,841.15	0.00	10,248.77	2,631.68
IME Special Fund	1,673.93	1,015.61	0.00	723.72	1,965.82
IME PE Program	5,224.66	7,376.75	0.00	7,097.01	5,504.40
LWW Miscellaneous	483.59	495.79	0.00	920.75	58.63
LWW Yearbook/Pictures	10,945.51	38,238.80	(300.00)	36,017.19	12,867.12
LWW Media Center	4,722.61	16,095.10	0.00	16,477.98	4,339.73
NPI Miscellaneous	648.86	2,234.57	(264.00)	1,744.01	875.42
NPI Falcon Footnotes	789.27	4,336.00	(36.00)	3,771.77	1,317.50
NPI Yearbook/Pictures	6,396.23	10,082.18	0.00	11,446.18	5,032.23
NPI Media Center	1,097.19	8,870.93	(35.94)	8,080.95	1,851.23
NPI Student Council	4,974.41	2,262.00	(5.00)	4,575.93	2,655.48
NPI Capial Improvements	7,999.58	0.00	0.00	0.00	7,999.58
JGI Miscellaneous	13,445.37	21,374.28	(16.00)	16,184.98	18,618.67
JGI Yearbook/Pictures	17,583.75	13,985.50	1,494.00	18,866.14	14,197.11
JGI Media Center	2,886.43	13,230.65	(108.93)	11,990.60	4,017.55
JGI Special	1,380.35	1,256.07	0.00	1,156.25	1,480.17
JGI Student Council	2,950.24	7,497.86	(1,800.00)	6,348.43	2,299.67
Indian Ed	840.21	110.00	0.00	0.00	950.21
Adm Felony Search	529.30	5,265.00	0.00	5,567.00	227.30
Administration Misc.	1,851.02	12,062.08	(8,515.00)	2,932.69	2,465.41
Clearing Account	0.00	5,750.85	4.00	5,754.85	0.00
RT Check	294.54	(273.54)	531.37	0.00	552.37
Admin Special	1,630.82	2,323.82	(1,750.00)	1,477.60	727.04
Musical Festival	1,809.17	0.00	0.00	0.00	1,809.17
Star Rider	43.90	0.00	0.00	0.00	43.90
District Nurses	2,452.18	0.00	0.00	1,514.90	937.28
Teacher of the Year	2,323.98	6,958.00	0.00	6,249.02	3,032.96
Admin Ret Account	0.00	0.00	5,200.00	4,403.26	796.74
Drug Testing	0.00	4,750.00	8,431.00	2,257.50	10,923.50
	<u>\$450,710.50</u>	<u>944,885.71</u>	<u>0.00</u>	<u>854,055.98</u>	<u>541,540.23</u>

The notes to the financial statements are an integral part of this statement.

CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2011

	Federal CFDA Number	Project Code	Program or Award Amount	Cash/ Beginning Balance at July 1, 2010	Federal Receipts	Federal Expenditures	Cash/ Ending Balance at June 30, 2011
<u>U.S. Department of Education:</u>							
<u>Direct Programs</u>							
Title IX Indian Education	84.060	561	\$139,465.00		118,819.52	138,345.66	(19,526.14)
Title VIII Impact Aid	84.041	591	252,777.36		252,777.36	252,777.36	0.00
ROTC	12.000	771	40,096.54		40,096.54	40,096.54	0.00
Sub-total			432,338.90	0.00	411,693.42	431,219.56	(19,526.14)
<u>Passed through the Department of Education:</u>							
Rehabilitation Services	84.126	456	8,330.24		8,330.24	8,330.24	0.00
Title I	84.010	511	420,957.16		315,793.64	347,519.72	(31,726.08)
Title I - Prior Year	84.010	799		(87,723.10)	87,723.10		0.00
Title I - ARRA	84.389	516	100,353.61		82,179.77	100,353.60	(18,173.83)
Title I - ARRA - Prior Year	84.389	799		(17,170.52)	17,170.52		0.00
Title II Part A	84.367	541	120,808.85		69,376.11	78,374.02	(8,997.91)
Title II Part A - Prior Year	84.367	799		(35,179.48)	35,179.48		0.00
Title II Part D	84.318	546	1,063.63				0.00
Title II Part D - Prior Year	84.318	799		(2,573.29)	2,573.29		0.00
Title II Part A - Transferability	84.367	546	57,933.96		34,099.33	47,277.30	(13,177.97)
Title II Part A - Transferability - Prior Year	84.367	799		(51,764.52)	51,764.52		0.00
Title II Part D	84.318	548	354.55				0.00
Title II Part D - Prior Year	84.318	799		(729.39)	729.39		0.00
Title II Part A - Transferability	84.367	548	19,784.05		3,379.39	7,100.78	(3,721.39)
Title II Part A - Transferability - Prior Year	84.367	799		(13,884.53)	13,884.53		0.00
Title IV Part A	84.186	551	803.83				0.00
Title IV Part A - Prior Year	84.186	799		(18,931.04)	18,931.04		0.00
IDEA - Flow Through	84.027	621	1,013,739.43		441,339.69	943,080.18	(501,740.49)
IDEA - Flow Through - Prior Year	84.027	799		(211,915.77)	211,915.77		0.00
IDEA - Flow Through - ARRA	84.391	622	419,502.41		351,658.15	406,516.21	(54,858.06)
IDEA - Flow Through - ARRA	84.391	799		(126,340.89)	126,340.89		0.00
IDEA - ECHO	84.027	615	900.00			900.00	(900.00)
IDEA - ECHO - Prior Year	84.027	799		(913.00)	913.00		0.00
IDEA - Pre-School	84.173	641	36,717.42		16,192.26	17,502.43	(1,310.17)
IDEA - Pre-School - Prior Year	84.173	799		(3,898.75)	3,898.75		0.00
IDEA - Pre-School - ARRA	84.392	643	13,806.71		7,800.17	10,782.94	(2,982.77)
Title I A CAC	84.010	786	20,332.00		17,672.67	18,715.37	(1,042.70)
Title I A CAC - Prior Year	84.010	799		(1,257.20)	1,257.20		0.00
Title II A CAC	84.367	786	4,981.82		4,660.92	4,981.82	(320.90)
Title II D CAC	84.318	786	1,418.18		1,418.18	1,418.18	0.00
Foundation & Salary - ARRA	84.394	782	1,009,963.00		1,009,963.00	1,009,963.00	0.00
Textbooks - ARRA	84.397	787					0.00
Ed Jobs	84.410	790	831,041.00		562,713.04	751,569.84	(188,856.80)
Smaller Learning Communities	84.215L	772	235,738.25		223,040.40	235,738.25	(12,697.85)
Smaller Learning Communities - Prior Year	84.215L	799		(18,503.20)	18,503.20		0.00
Sub-total			4,318,530.10	(590,784.68)	3,740,401.64	3,990,123.88	(840,506.92)



CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2011

	Federal CFDA Number	Project Code	Program or Award Amount	Cash/ Beginning Balance at July 1, 2010	Federal Receipts	Federal Expenditures	Cash/ Ending Balance at June 30, 2011
<u>U.S. Department of Interior:</u>							
Passed Through the State Department of Vo-Tech							
Carl Perkins	84.048	421	14,494.37			14,494.37	(14,494.37)
Carl Perkins - Prior Year	84.048	799		(14,995.83)	14,995.83		0.00
Carl Perkins Bio Med - Prior Year	84.048	799		(50,000.00)	50,000.00		0.00
Carl Perkins Supplementary	84.048	424	48,053.03			48,053.03	(48,053.03)
Carl Perkins Supplementary - Prior Year	84.048	799		(19,830.72)	19,830.72		0.00
Sub-total			62,547.40	(84,826.55)	84,826.55	62,547.40	(62,547.40)
<u>U.S. Department of Interior:</u>							
Passed Through the State Department of Vo-Tech Johnson O'Malley Program							
	563	15.130	12,426.83		12,426.83	12,426.83	0.00
<u>U.S. Department of Agriculture:</u>							
Passed Through State Department of Education							
Food Service Programs - Breakfasts	10.553	385	550,556.56		550,556.56	550,556.56	0.00
Food Service Programs - Lunches	10.555	385	157,512.40		157,512.40	157,512.40	0.00
USDA Donated Food	10.550	385	85,794.38		73,423.44	73,423.44	0.00
Sub-total			793,863.34	0.00	781,492.40	781,492.40	0.00
Total Federal Assistance			\$5,619,706.57	(675,611.23)	5,030,840.84	5,277,810.07	(922,580.46)

Note A: Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity the Choctaw/Nicoma Park Public Schools District and is presented on another comprehensive basis of accounting conforming with the accounting practices prescribed or permitted by the Oklahoma State Department of Education which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this method, expenditures are recognized when an approved purchase order issued.

Note B: Commodities representing non-cash expenditures have been included in the Schedule of Federal Awards which is an exception to the prescribed basis of accounting.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
SCHEDULE OF STATUTORY, FIDELITY, AND HONESTY BONDS  
FOR THE YEAR ENDED JUNE 30, 2011**

Jim McCharen - Superintendent

Employee Dishonesty Bond  
RLI Insurance Company Policy No. LSM0116468  
\$100,000.00 Limit  
Effective: From July 1, 2010 to June 30, 2011

Kevin Berry – Treasurer

Employee Dishonesty Bond  
RLI Insurance Company Policy No. LSM0116664  
\$250,000.00 Limit  
Effective: From July 1, 2010 to June 30, 2011

Public Officials Blanket Policy  
Employee Dishonesty Bond  
Traveler's Insurance Policy No. PE-4616538-02  
\$50,000.00 Limit  
Effective: From July 1, 2010 to July 1, 2011

## **INTERNAL CONTROL AND COMPLIANCE REPORTS**

# PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

169 S.E. 32<sup>ND</sup>

EDMOND, OKLAHOMA 73013

(405) 348-3800

Fax (405) 348-7965

## Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Board of Education  
Choctaw/Nicoma Park School District No. 4  
Oklahoma County, Oklahoma

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Choctaw/Nicoma Park School District No. 4, Oklahoma County, Oklahoma, as of and for the year ended June 30, 2011, which collectively comprise the District's financial statements and have issued our report thereon dated February 7, 2012. The report on these financial statements is adverse with respect to the presentation of financial statements in conformity with accounting principles generally accepted in the United States of America because the District has elected to prepare its financial statements in conformity with a regulatory basis of accounting. 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

Our consideration of internal control over financial reporting was for the limited purpose prescribed in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement; we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of Choctaw/Nicoma Park School District No. 4 in a separate letter dated February 7, 2012.

This report is intended solely for the information and use of management, the audit committee and others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, though restricted in use, this report is a matter of public record, and its distribution is not limited.

*Putnam & Company*

Putnam & Company, PLLC

Edmond, Oklahoma  
February 7, 2012

# PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

169 S.E. 32<sup>ND</sup>

EDMOND, OKLAHOMA 73013

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Fax (405) 348-7965

Report on Compliance with Requirements Applicable to Each Major Program  
and Internal Controls over Compliance In Accordance with  
*Office of Management and Budget Circular A-133*

The Honorable Board of Education  
Choctaw/Nicoma Park School District No. 4  
Oklahoma County, Oklahoma

### ***Compliance***

We have audited the compliance of Choctaw/Nicoma Park School District No. 4, Oklahoma County, Oklahoma, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of District's management. Our responsibility is to express an opinion on District's compliance based on our audit.

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 District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

### ***Internal Control Over Compliance***

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

A *control deficiency* 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A *material weakness* is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the School Board, management, federal awarding agencies, pass-through entities, all applicable state agencies, and those other Governments from which financial assistance was received, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Putnam & Company*

Putnam & Company, PLLC

Edmond, Oklahoma  
February 7, 2012

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**



**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**Section I – Summary of Auditors’ Results**

***Financial Statements***

Type of auditors’ report issued: Qualified due to regulatory basis presentation.

Internal control over financial reporting:

- \* Material weakness(es) identified?  Yes  No
- \* Significant Deficiency(ies) identified not considered to be material weakness(es)?  Yes  None Reported

Noncompliance material to financial statement noted?  Yes  No

***Federal Awards***

Internal control over major programs:

- \* Material weakness(es) identified?  Yes  No
- \* Significant Deficiency(ies) identified not considered to be material weakness(es)?  Yes  None Reported

Type of auditors’ report issued on compliance for Major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of OMB Circular A-133?  Yes  No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.010	Title I
84.027	IDEA Flowthrough
84.391	IDEA Flowthrough ARRA
84.173	IDEA Preschool
84.394	Foundation & Salary ARRA
84.410	Ed Jobs
10.555	Food Service

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee?  Yes  No

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**Section II – Findings Relating to the Financial Statements**

None

**Section III – Findings and Questioned Costs for Federal Awards**

N/A

**Section IV – Status of Prior Year Audit Findings**

None related to the financial statements or questioned costs for federal awards.

**Section V – Management’s Corrective Action Plan**

N/A

**ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT**



## **MANAGEMENT LETTER AND COMMENTS**

# PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS  
169 S.E. 32ND  
EDMOND, OKLAHOMA 73013  
(405) 348-3800  
fax (405) 348-7965

February 7, 2012

The Honorable Board of Education  
Choctaw/Nicoma Park School District No. 4  
Oklahoma County, Oklahoma

We have audited financial statements of Choctaw/Nicoma Park School District No. 4, Oklahoma County, Oklahoma, as of and for the year ended June 30, 2011, as listed in the table of contents, and have issued our report thereon dated February 7, 2012. As a part of our audit, we made a study and evaluation of the District's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However, during our audit we became aware of some matters that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated February 7, 2012 on the financial statements of Choctaw/Nicoma Park School District No. 4.

We will review the status of these comments during our next audit engagement. We would be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We also wish to express our appreciation of the courteous attention and cooperation which we received from staff members during our engagement.

Sincerely,



Jerry W. Putnam

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**PRIOR YEAR'S COMMENTS AND RECOMMENDATIONS**

The prior year's comments have been addressed and resolved.

**CURRENT YEAR'S COMMENTS AND RECOMMENDATIONS**

**REVIEW OF PURCHASE ORDERS AND PAYMENTS**

Our review of the purchase orders indicated that in almost every instance the purchase orders were properly approved and supported with adequate documentation. However we noted the following during our review:

<b><u>Findings</u></b>	<b><u>No. of Instances</u></b>
Invoice Date Before P.O. Date	3
Incomplete Documentation	2
No Non-Kickback Affidavit	1
P.O. Not Available for Review	1

**REVIEW OF ACTIVITY FUND TRANSACTIONS**

During our review of the Activity Fund transactions we noted that the transactions were well documented.

**DISTRICT'S RESPONSE TO AUDIT COMMENTS/CORRECTIVE ACTION PLAN**

The District is generally in agreement with the finding and recommendations above and will review current procedures in order to implement necessary changes.