

**FINANCIAL STATEMENTS - REGULATORY BASIS
AND REPORTS OF INDEPENDENT AUDITOR**

**BIXBY SCHOOL DISTRICT NO. I-4,
TULSA COUNTY, OKLAHOMA**

JUNE 30, 2014

Audited by

SANDERS, BLEDSOE & HEWETT CPA's, LLP

BROKEN ARROW, OK

**INDEPENDENT SCHOOL DISTRICT NO. I-4
TULSA COUNTY, OKLAHOMA
JUNE 30, 2014**

TABLE OF CONTENTS

	<u>Page No.</u>
Table of Contents	1-2
School District Officials	3
Independent Auditor’s Report	4-5
<u>COMBINED FINANCIAL STATEMENTS:</u>	
Combined Statement of Assets, Liabilities and Fund Equity – Regulatory Basis - All Fund Types and Account Groups	6
Combined Statement of Revenues, Expenditures, and Changes in Cash Fund Balances – Regulatory Basis - All Governmental Fund Types	7
Combined Statement of Revenues, Expenditures and Changes in Cash Fund Balance - Budget and Actual – Regulatory Basis - Budgeted Governmental Fund Types	8-10
Notes to Combined Financial Statements	11-27
<u>OTHER SUPPLEMENTARY INFORMATION:</u>	
<u>COMBINING FINANCIAL STATEMENTS:</u>	
Combining Statement of Assets, Liabilities and Fund Equity – - Regulatory Basis - All Special Revenue Funds	28
Combining Statement of Revenues, Expenditures, and Changes in Cash Fund Balances – Regulatory Basis - All Special Revenue Funds	29
Combining Statement of Revenues, Expenditures and Changes in Cash Fund Balance - Budget and Actual – Regulatory Basis - All Special Revenue Funds	30

**INDEPENDENT SCHOOL DISTRICT NO. I-4
TULSA COUNTY, OKLAHOMA
JUNE 30, 2014**

TABLE OF CONTENTS

	<u>Page No.</u>
<u>OTHER SUPPLEMENTARY INFORMATION:</u> – cont’d	
Combining Statement of Assets, Liabilities and Fund Equity – - Regulatory Basis - All Capital Projects Funds	31
Combining Statement of Revenues, Expenditures, and Changes in Cash Fund Balances – Regulatory Basis - All Capital Projects Funds	32
Combining Statement of Assets and Liabilities – Regulatory Basis - All Fiduciary Fund Types	33
Combining Statement of Changes in Assets and Liabilities - Regulatory Basis - All Agency Funds	34-37
Schedule of Expenditures of Federal Awards	38-39
Schedule of Surety Bond Coverage	40
 Internal Control and Compliance Reports	
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>Government Auditing Standards</i>	41-42
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	43-44
Schedule of Findings and Questioned Costs	45
Disposition of Prior Year’s Schedule of Findings	46
Schedule of Accountant’s Professional Liability Insurance Affidavit	47
Audit Acknowledgement	48

**INDEPENDENT SCHOOL DISTRICT NO. I-4
TULSA COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2014**

BOARD OF EDUCATION

President	Lisa Kramer
Vice-President	Ron Schnare
Clerk	Bryan Wiesman
Member	Wendell Nolan
Member	Lisa Owens

SUPERINTENDENT

Dr. Kyle Wood

CHIEF FINANCIAL OFFICER

Jack H. Jenkins, CPA

**MINUTES CLERK &
SCHOOL DISTRICT TREASURER**

Sherry McIntyre

www.bixbyps.org



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT

December 5, 2014

The Honorable Board of Education
Bixby School District Number I-4
Bixby, Tulsa County, Oklahoma

Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of the Bixby School District Number I-4, Bixby, Tulsa County, Oklahoma (the District), as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

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

As discussed in Note 1, the financial statements are prepared by the District, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonable determined, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2014, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The financial statements referred to above do not include the general fixed asset account group, which is a departure from the regulatory basis of accounting prescribed by the Oklahoma State Department of Education. The amount that should be recorded in the general fixed asset account group is not known.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” Paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balance arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2014, and the revenues collected and expenditures paid and encumbered for the year then ended on the regulatory basis of accounting described in Note 1.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The combining statements – regulatory basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

Other Reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and to 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.



Sanders, Bledsoe & Hewett
Certified Public Accounts, LLP

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY -
REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2014

<u>ASSETS</u>	GENERAL	<u>GOVERNMENTAL FUND TYPES</u>			<u>FIDUCIARY</u>	<u>ACCOUNT</u>	<u>TOTALS</u>	
		REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST AND AGENCY FUND	GENERAL LONG-TERM DEBT	(Memorandum Only)	
							2014	2013
Cash	\$ 4,494,787	1,192,522	4,244,307	14,014,452	1,273,566		25,219,634	19,998,006
Investments		733,177	1,116,783		210,481		2,060,441	6,019,942
Amounts available in debt service						606,167	606,167	943,190
Amounts to be provided for retirement of general long-term debt						72,248,459	72,248,459	75,193,175
Total Assets	4,494,787	1,925,699	5,361,090	14,014,452	1,484,047	72,854,626	100,134,701	102,154,313
 <u>LIABILITIES AND FUND EQUITY</u>								
Liabilities								
Warrants payable	936,196	31,721					967,917	1,032,014
Encumbrances	206,268	30,099		290,888			527,255	237,927
Funds held for school organizations					1,484,047		1,484,047	1,486,526
Unmatured obligations			4,754,923				4,754,923	4,385,359
Long-term debt:								
Bonds payable						33,815,000	33,815,000	31,750,000
Capital leases						39,039,626	39,039,626	44,386,365
Total liabilities	1,142,464	61,820	4,754,923	290,888	1,484,047	72,854,626	80,588,768	83,278,191
 Fund Equity								
Cash fund balances	3,352,323	1,863,879	606,167	13,723,564			19,545,933	18,876,122
Total Liabilities and Fund Equity	\$ 4,494,787	1,925,699	5,361,090	14,014,452	1,484,047	72,854,626	100,134,701	102,154,313

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

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH FUND BALANCES
ALL GOVERNMENTAL FUND TYPES - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014

	GOVERNMENTAL FUND TYPES				TOTALS (Memorandum Only)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	2014	2013
Revenues						
Local sources	\$ 12,535,714	2,755,081	8,600,585	13,219	23,904,599	23,874,330
Intermediate sources	1,281,865				1,281,865	1,280,588
State sources	15,135,675	26,539			15,162,214	14,180,920
Federal sources	1,657,120	612,664			2,269,784	2,376,300
Non-revenue receipts	267,269	403	216,111		483,783	300,986
Total revenues	<u>30,877,643</u>	<u>3,394,687</u>	<u>8,816,696</u>	<u>13,219</u>	<u>43,102,245</u>	<u>42,013,124</u>
Expenditures						
Instruction	19,018,080				19,018,080	18,059,156
Support services	12,426,435	1,993,386		419,120	14,838,941	22,789,268
Operation of non-instructional services	802,784	1,013,580			1,816,364	1,668,284
Facilities, acquisition and const. services		1,075		7,912,530	7,913,605	251,094
Other outlays	100,393	11,726			112,119	12,473
Debt service			9,153,719		9,153,719	8,692,218
Repayments						58,697
Total expenditures	<u>32,347,692</u>	<u>3,019,767</u>	<u>9,153,719</u>	<u>8,331,650</u>	<u>52,852,828</u>	<u>51,531,190</u>
Revenues over (under) expenditures	(1,470,049)	374,920	(337,023)	(8,318,431)	(9,750,583)	(9,518,066)
Other financing sources (uses)						
Lapsed appropriations	35,136	33,819			68,955	76,564
Estopped warrants	1,307	132			1,439	3,459
Operating transfers in (out)	708,000	(708,000)				
Bond proceeds				10,350,000	10,350,000	10,050,000
Total other financing sources (uses)	<u>744,443</u>	<u>(674,049)</u>		<u>10,350,000</u>	<u>10,420,394</u>	<u>10,130,023</u>
Revenue and other sources over (under) expenditures and other uses	(725,606)	(299,129)	(337,023)	2,031,569	669,811	611,957
Cash fund balance, beginning of year	4,077,929	2,163,008	943,190	11,691,995	18,876,122	18,264,165
Cash fund balance, end of year	<u>\$ 3,352,323</u>	<u>1,863,879</u>	<u>606,167</u>	<u>13,723,564</u>	<u>19,545,933</u>	<u>18,876,122</u>

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

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
 GENERAL FUND - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2014**

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 11,185,565	11,185,565	12,535,714
Intermediate sources	1,135,598	1,135,598	1,281,865
State sources	14,120,585	14,120,585	15,135,675
Federal sources	2,330,323	2,330,323	1,657,120
Non-revenue receipts			267,269
Total revenues	<u>28,772,071</u>	<u>28,772,071</u>	<u>30,877,643</u>
Expenditures			
Instruction	19,050,000	19,050,000	19,018,080
Support services	13,320,000	13,320,000	12,426,435
Operation of non-instructional services	1,002,500	1,002,500	802,784
Other outlays	125,000	125,000	100,393
Repayments	2,500	2,500	
Total expenditures	<u>33,500,000</u>	<u>33,500,000</u>	<u>32,347,692</u>
Revenues over (under) expenditures	(4,727,929)	(4,727,929)	(1,470,049)
Other financing sources (uses)			
Lapsed appropriations			35,136
Estopped warrants			1,307
Operating transfers in (out)	650,000	650,000	708,000
Total other financing sources (uses)	<u>650,000</u>	<u>650,000</u>	<u>744,443</u>
Revenue and other sources over (under) expenditures and other uses	(4,077,929)	(4,077,929)	(725,606)
Cash fund balance, beginning of year	<u>4,077,929</u>	<u>4,077,929</u>	<u>4,077,929</u>
Cash fund balance, end of year	<u>\$ 0</u>	<u>0</u>	<u>3,352,323</u>

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

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
 BUDGETED SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2014**

	SPECIAL REVENUE FUNDS		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 2,342,305	2,472,789	2,755,081
State sources	26,263	26,539	26,539
Federal sources	568,424	612,664	612,664
Non-revenue receipts			403
Total revenues	2,936,992	3,111,992	3,394,687
Expenditures			
Support services	3,455,000	3,455,000	1,993,386
Operation of non-instructional services	899,000	1,074,000	1,013,580
Facilities acquisitions and construction	5,000	5,000	1,075
Other outlays	735,000	735,000	11,726
Noncategorical	6,000	6,000	
Total expenditures	5,100,000	5,275,000	3,019,767
Revenues over (under) expenditures	(2,163,008)	(2,163,008)	374,920
Other financing sources (uses)			
Lapsed appropriations			33,819
Estopped warrants			132
Operating transfers in (out)			(708,000)
Total other financing sources (uses)	0	0	(674,049)
Revenue and other sources over (under) expenditures and other uses	(2,163,008)	(2,163,008)	(299,129)
Cash fund balance, beginning of year	2,163,008	2,163,008	2,163,008
Cash fund balance, end of year	\$ 0	0	1,863,879

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

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
 DEBT SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014**

	DEBT SERVICE FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Federal sources	\$ 8,210,529	8,210,529	8,600,585
Non-revenue receipts			216,111
Total revenues	8,210,529	8,210,529	8,816,696
Expenditures			
Other outlays			
Debt service	9,153,719	9,153,719	9,153,719
Revenues over (under) expenditures	(943,190)	(943,190)	(337,023)
Cash fund balance, beginning of year	943,190	943,190	943,190
Cash fund balance, end of year	\$ 0	0	606,167

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

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

1. Summary of Significant Accounting Policies

The combined financial statements – regulatory basis of the Bixby Public Schools District No. I-4 (the “District”) have been prepared in conformity with another comprehensive basis of accounting required by Oklahoma Statutes. 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.

The School Education Foundation is not included in the reporting entity. The District does not appoint any of the board members or exercise any oversight authority.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

1. **Summary of Significant Accounting Policies-** cont'd

B. Fund Accounting

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.

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 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 funds are the District's building, co-op and child nutrition funds. The District did not maintain a co-op fund during the 2013-14 fiscal year.

Building Fund - The building fund consists of monies derived property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for the school district property, for paying energy and utility costs, for purchasing telecommunications

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

1. **Summary of Significant Accounting Policies-** cont'd

B. Fund Accounting - cont'd

services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.

Co-op Fund - The co-op fund is established when the boards of education of two or more school districts enter into cooperative agreements and maintain joint programs. The revenues necessary to operate a cooperative program can come from federal, state, or local sources, including the individual contributions of participating school districts. The expenditures for this fund would consist of those necessary to operate and maintain the joint programs.

Child Nutrition Fund - The child nutrition fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students.

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 (including judgments) 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 Funds - 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.

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). The District has no proprietary fund types.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

1. **Summary of Significant Accounting Policies-** cont'd

B. Fund Accounting - cont'd

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 a trust agreement, either a nonexpendable trust fund or an expendable trust fund is used depending on whether there is an obligation to maintain trust principal. Agency funds 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.

Expendable Trust Funds - Expendable trust funds include the gifts and endowments fund, medical insurance fund, workers compensation fund and the insurance recovery fund. The District did not maintain these funds during the 2013-14 fiscal year.

Gifts Fund - The gifts fund receives its assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. This fund is used to promote the general welfare of the District.

Medical Insurance Fund - The medical insurance fund accounts for revenues and expenditures for all types of self-funded medical insurance coverage.

Workers Compensation Fund - The workers compensation fund accounts for revenues and expenditures for workers compensation claims.

Insurance Recovery Fund - The insurance recovery fund accounts for all types of insurance recoveries, major reimbursements and reserves for property repairs and replacements.

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

Account Group

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 fixed assets.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

1. **Summary of Significant Accounting Policies-** cont'd

B. *Fund Accounting* - cont'd

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 other liabilities (judgments and lease purchases), which are to be paid from funds provided in future years.

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

Memorandum Only - Total Column

The total column on the combined financial statements - regulatory basis 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. Inter-fund eliminations have not been made in the aggregation of this data.

C. *Basis of Accounting and Presentation*

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

All governmental and expendable trust funds are accounted for using the regulatory basis of accounting. Revenues are recognized when they are received rather than earned. Under the regulatory basis of accounting, expenditures are generally recognized when encumbered or reserved rather than at the time the related fund liability is incurred. These practices differ from generally accepted accounting principles. Significant differences are as follows:

The District does not maintain its accounts on the modified accrual basis of accounting under which revenue are recorded when susceptible to accrual, i.e., both measurable and available, and expenditures are recorded when the liability is incurred, is measurable.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

1. **Summary of Significant Accounting Policies-** cont'd

C. Basis of Accounting and Presentation – cont'd

Revenue and expenditures are reported by the budget year until all encumbrances have been paid and unexpended appropriations are closed to the current year fund balance.

The general and special revenue funds record purchases of supplies as expenditures rather than as assets to be expensed when used.

Encumbrances are reported as liabilities. Under generally accepted accounting principles, open encumbrances for which goods or services have not been received, are reported as reservations of fund balances, since the commitments will be honored through subsequent years budget appropriations.

The District has not maintained a record of general fixed assets and, accordingly, a statement of general fixed assets, as required by generally accepted accounting principles, is not included in the combined financial statements – regulatory basis.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is not reported as an expenditure and a fund liability of the governmental fund that will pay it. In addition, the non-current portion of vested accumulated vacation is not recorded in the general long-term debt account group.

Capital leases are recorded as expenditures. Under generally accepted accounting principles, capital leases are normally capitalized as a fixed asset and recorded in the general long-term debt account group.

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 first 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.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

1. **Summary of Significant Accounting Policies-** cont'd

D. Budgets and Budgetary Accounting – cont'd

A budget is legally adopted by the Board of Education for the General and Special Revenue Funds that include revenues and expenditures.

The 2013-14 Estimate of Needs was amended by supplemental appropriations as follows:

<u>Fund</u>	<u>Total</u>
Child Nutrition	\$ 175,000

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all governmental funds of the District. Unencumbered appropriations lapse at the end of each fiscal year.

E. Assets, Liabilities and Fund Equity

Cash - Cash consists of cash on hand, demand deposit accounts, and interest bearing checking accounts.

Investments - Investments consist of direct obligations of the United States Government and agencies; certificates of deposit of savings and loan associations, bank and trust companies; savings accounts or savings certificates of savings and loan associations, and trust companies; and warrants, bonds or judgments of the district. All investments are recorded at cost, which approximates market value.

Inventories - The value of consumable inventories at June 30, 2014 is not material to the combined financial statements-regulatory basis.

Fixed Assets and Property, Plant and Equipment - The General Fixed Asset Account Group is not presented.

Warrants Payable - Warrants are issued to meet the obligations for goods and services provided to the District. The District recognizes a liability for the amount of outstanding warrants that have yet to be redeemed by the District's treasurer.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

1. **Summary of Significant Accounting Policies-** cont'd

E. Assets, Liabilities and Fund Equity – cont'd

Encumbrances - Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services received by the District for which a warrant has not been issued. An expenditure is recorded and a liability is recognized for outstanding encumbrances at year end in accordance with the regulatory basis of accounting.

Unmatured Obligations - The unmatured obligations represent the total of all annual accruals for both principal and interest, based on the lengths of the bonds and/or judgments, less all principal and interest payments through the balance sheet date in accordance with the regulatory basis of accounting.

Funds Held for School Organizations - Funds held for school organizations represent the funds received or collected from students or other co-curricular and extracurricular activities conducted in the district, control over which is exercised by the board of education. These funds are credited to the account maintained for the benefit of each particular activity within the school activity fund.

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.

Cash Fund Balance - Cash fund balance represents the funds not encumbered by purchase order, legal contracts, outstanding warrants and unmatured obligations.

F. Revenue and Expenditures

Local Revenues - Revenue from local sources is the money generated from within the boundaries of the District and available to the District for its use. 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. These property taxes are distributed to the District's general, building and sinking funds based on the levies approved for each fund. The County Assessor,

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

1. **Summary of Significant Accounting Policies-** cont'd

F. Revenue and Expenditures - cont'd

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.

Other local sources of revenues include interest earnings, tuition, fees, rentals, disposals, commissions and reimbursements.

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

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

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

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

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

1. **Summary of Significant Accounting Policies-** cont'd

F. Revenue and Expenditures- cont'd

categorical educational program revenues be accounted for in the general fund.

The aforementioned state revenues are apportioned to the District's general fund.

Federal Revenues - Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a pass-through from another government, such as the state.

An entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes.

The majority of the federal revenues received by the District are apportioned to the General fund. The District maintains a separate child nutrition fund and the federal revenues received for the child nutrition programs are apportioned there.

Non-Revenue Receipts - Non-revenue receipts represent receipts deposited into a fund that are not new revenues to the District, but the return of assets.

Instruction Expenditures - Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving co-curricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.), which assist in the instructional process. The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

Support Services Expenditures - Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

1. **Summary of Significant Accounting Policies-** cont'd

F. Revenue and Expenditures - cont'd

Operation of Non-Instructional Services Expenditures - Activities concerned with providing non-instructional services to students, staff or the community.

Facilities Acquisition and Construction Services Expenditures - Consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvement to sites.

Other Outlays Expenditures - A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest) when applicable.

Other Outlays/Uses Expenditures - This includes scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditure for self-funded employee benefit programs administered either by the District or a third party administrator.

Repayment Expenditures - Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayment, non-qualified expenditures and other refunds to be repaid from District funds.

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. The District made net transfers of \$708,000 during the 2013-14 fiscal year between the child nutrition and general funds.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

2. Cash and Investments

The District's investment policies are governed by state statute. Permissible investments include direct obligations of the United States government and agencies; certificates of deposit of savings and loan associations, banks and trust companies; savings accounts or savings certificates of savings and loan associations, banks, and trust companies; and warrants, bonds or judgments of the District.

Cash – The District's bank balance of deposits and cash pools at June 30, 2014, was \$25,241,436. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require collateral for amounts in excess of federally insured amounts. The District's policy requires collateral equal to 110% of the deposit amount for all deposits not covered by F.D.I.C. insurance. The bank balance was completely covered by federal depository insurance and by collateral held by the District's third party agent in the District's name.

Investments – At June 30, 2014, the District's investments consisted of certificates of deposits with an approximate fair market value of \$2,060,441.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the required liquidity for those investments, these funds have no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Credit risk – Investments – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Investments held by the District in investment pools (sweep accounts) are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. These investments are held with Citizens Security, and are rated AAA by Standard and Poor's. The District does not have a formal policy limiting its exposure arising from concentration of investments.

3. 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 can be 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 of the date of issue.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

3. General Long-term Debt – cont'd

General long-term debt of the District consists of building bonds payable, transportation bonds payable and capital leases. Debt service requirements for bonds are payable solely from the fund balance and the 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, 2014:

	<u>Bonds Payable</u>	<u>Capital Leases</u>	<u>Totals</u>
Balance, July 1, 2013	\$31,750,000	44,386,365	76,136,365
Additions	10,350,000	0	10,350,000
Retirements	<u>8,285,000</u>	<u>5,346,739</u>	<u>14,767,725</u>
Balance, June 30, 2014	<u>\$33,815,000</u>	<u>39,039,626</u>	<u>72,854,626</u>

A brief description of the outstanding long-term debt at June 30, 2014 is set forth below:

	<u>Amount outstanding</u>
<u>General Obligation Bonds</u>	
Building Bonds, Series 2012, original issue \$9,650,000, interest rate of 0.50-1.05%, due in annual installments of \$2,410,000, final payment of \$2,420,000 due May 1, 2017;	\$ 7,240,000
General Purpose, Series 2014, original issue \$10,350,000, interest rate of 1.00-2.00%, due in annual installments of \$2,590,000, final payment due May 1, 2019;	10,350,000
Building Bonds, Series 2010, original issue \$6,300,000, interest rate of 4.40-2.55%, due in annual installments of \$1,575,000, final payment of due May 1, 2015;	1,575,000
General Purpose, Series 2012, original issue \$9,200,000, interest rate of 1.10-1.95%, due in annual installments of \$2,300,000, final payment due May 1, 2016;	4,600,000

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

3. **General Long-term Debt** – cont'd

	<u>Amount outstanding</u>
<u>General Obligation Bonds</u> – cont'd	
General Purpose, Series 2013, original issue \$10,050,000, interest rate of 2.00%, due in annual installments of \$2,510,000, final payment due May 1, 2018;	\$ 10,050,000
<u>Capital Leases</u>	
Lease agreement for building projects, dated 1-14-11, totaling \$44,570,000, interest rate of 3.95%, due in various principal and interest payments beginning 8/15/12 with final payment on 8/15/18.	<u>39,039,626</u>
Totals	<u>\$ 72,854,626</u>

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

Year ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30</u>			
2015	\$ 8,795,000	514,837	9,309,837
2016	9,800,000	380,225	10,180,225
2017	7,520,000	249,460	7,769,460
2018	5,110,000	141,050	5,251,050
2019	<u>2,590,000</u>	<u>51,800</u>	<u>2,641,800</u>
Totals	<u>\$ 33,815,000</u>	<u>1,337,372</u>	<u>35,152,372</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

3. General Long-term Debt – cont’d

The annual debt service requirements for the retirement of lease payments are as follows:

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 5,867,935	1,542,065	7,410,000
2016	5,199,718	1,310,282	6,510,000
2017	6,805,107	1,104,893	7,910,000
2018	8,163,909	836,091	9,000,000
2019	<u>13,002,957</u>	<u>513,617</u>	<u>13,516,574</u>
Total	<u>\$ 39,039,626</u>	<u>5,306,948</u>	<u>44,346,574</u>

There was \$2,252,416 interest paid on general long-term debt incurred during the current year.

4. Employee Retirement System

Plan Description

The District participates in the state-administered Oklahoma Teachers’ Retirement Plan, a cost-sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the board of trustees of the Oklahoma Teachers’ Retirement System (the “System”). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action. The Oklahoma Teachers’ Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Teachers’ Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, OK 73152 or by calling (405) 521-2387.

Basis of Accounting

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

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

4. **Employee Retirement System** – cont'd

school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. Contributions received by the System are from a percentage of its revenues from sales taxes, use taxes, corporate income taxes and individual income taxes. For the 2013-14 fiscal year, the district's contributed 9.5% and the State of Oklahoma contributed the remaining amount during the year. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. In addition, the District is required to match the retirement paid on salaries that are funded with federal funds.

Annual Pension Cost

The District's portion of the total contributions for 2014, 2013 and 2012 were \$3,119,428, \$2,983,407, and \$2,822,870 respectively.

The employer contribution rates are established by the Oklahoma Legislature and are less than the annual required contribution, which is performed to determine the adequacy of such contribution rates.

5. **Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District continues to carry commercial insurance for these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

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

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

5. Risk Management – cont’d

formed for the purpose of providing workers’ compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to it during the plan year. As a member of OSAG, the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the school’s losses for the last five years. OSAG provides coverage in excess of the Loss Fund so the District’s liability for claim loss is limited to the balance of the loss fund. If the District does not use its loss fund in three years, it is returned to the District with no interest. The District is a member of the Oklahoma Public Schools Unemployment Compensation Program. In this program the District is required to contribute 1.6% of its taxable payroll for unemployment insurance. The funds for each District are kept separate and Districts can contribute more than 1.6% of their payroll if they elect to. The money contributed by each District earns interest and is fully insured. If the District has claims in excess of the amount in its account, it will be liable for the excess.

6. Contingencies

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2013-14 fiscal year. The revised OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations, established uniform audit requirements for nonfederal entities which expend more than \$500,000 in federal awards.

Litigation

School officials are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments against the District that would have a material affect on the financial statements.

Subsequent Events

Management has evaluated subsequent events through December 5, 2014, which is the date the financial statements were available to be issued, and have determined that no additional information needs to be added to the financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND
 FUND EQUITY - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
 JUNE 30, 2014**

<u>ASSETS</u>	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (Memorandum Only)</u>	
			<u>2014</u>	<u>2013</u>
Cash	\$ 1,088,434	104,088	1,192,522	1,512,622
Investments	<u>733,177</u>		<u>733,177</u>	<u>933,494</u>
Total Assets	<u><u>1,821,611</u></u>	<u><u>104,088</u></u>	<u><u>1,925,699</u></u>	<u><u>2,446,116</u></u>
 <u>LIABILITIES AND FUND EQUITY</u>				
Liabilities				
Warrants payable	18,050	13,671	31,721	175,681
Encumbrances	<u>29,934</u>	<u>165</u>	<u>30,099</u>	<u>107,427</u>
Total liabilities	<u><u>47,984</u></u>	<u><u>13,836</u></u>	<u><u>61,820</u></u>	<u><u>283,108</u></u>
Fund Equity				
Cash fund balances	<u>1,773,627</u>	<u>90,252</u>	<u>1,863,879</u>	<u>2,163,008</u>
Total Liabilities and Fund Equity	<u><u>\$ 1,821,611</u></u>	<u><u>104,088</u></u>	<u><u>1,925,699</u></u>	<u><u>2,446,116</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014**

	BUILDING FUND	CHILD NUTRITION FUND	TOTALS (Memorandum Only)	
			2014	2013
Revenues				
Local sources	\$ 1,864,506	890,575	2,755,081	2,458,772
State sources		26,539	26,539	27,645
Federal sources		612,664	612,664	615,968
Non-revenue receipts		403	403	2,431
Total revenues	<u>1,864,506</u>	<u>1,530,181</u>	<u>3,394,687</u>	<u>3,104,816</u>
Expenditures				
Instruction				21,920
Support services	1,993,386		1,993,386	1,571,782
Operation of non-instructional services		1,013,580	1,013,580	902,793
Facilities, acquisition and const. services	1,075		1,075	249,750
Other outlays	8,778	2,948	11,726	4,986
Repayments				6,346
Total expenditures	<u>2,003,239</u>	<u>1,016,528</u>	<u>3,019,767</u>	<u>2,757,577</u>
Revenues over (under) expenditures	(138,733)	513,653	374,920	347,239
Other financing sources (uses)				
Lapsed appropriations	33,819		33,819	18,461
Estopped warrants		132	132	142
Operating transfers in (out)		(708,000)	(708,000)	(663,307)
Total other financing sources (uses)	<u>33,819</u>	<u>(707,868)</u>	<u>(674,049)</u>	<u>(644,704)</u>
Revenue and other sources over (under) expenditures and other uses	(104,914)	(194,215)	(299,129)	(297,465)
Cash fund balance, beginning of year	<u>1,878,541</u>	<u>284,467</u>	<u>2,163,008</u>	<u>2,460,473</u>
Cash fund balance, end of year	<u>\$ 1,773,627</u>	<u>90,252</u>	<u>1,863,879</u>	<u>2,163,008</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
 ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2014**

	BUILDING FUND			CHILD NUTRITION FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues						
Local sources	\$ 1,596,459	1,596,459	1,864,506	745,846	876,330	890,575
State sources				26,263	26,539	26,539
Federal sources				568,424	612,664	612,664
Non-revenue receipts						403
Total revenues	<u>1,596,459</u>	<u>1,596,459</u>	<u>1,864,506</u>	<u>1,340,533</u>	<u>1,515,533</u>	<u>1,530,181</u>
Expenditures						
Support services	3,455,000	3,455,000	1,993,386			
Operation of non-instructional services				899,000	1,074,000	1,013,580
Facilities acquisitions and construction	5,000	5,000	1,075			
Other outlays	15,000	15,000	8,778	720,000	720,000	2,948
Noncategorical				6,000	6,000	
Total expenditures	<u>3,475,000</u>	<u>3,475,000</u>	<u>2,003,239</u>	<u>1,625,000</u>	<u>1,800,000</u>	<u>1,016,528</u>
Revenues over (under) expenditures	(1,878,541)	(1,878,541)	(138,733)	(284,467)	(284,467)	513,653
Other financing sources (uses)						
Lapsed appropriations			33,819			
Estopped warrants						132
Operating transfers in (out)						(708,000)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>33,819</u>	<u>0</u>	<u>0</u>	<u>(707,868)</u>
Revenue and other sources over (under) expenditures and other uses	(1,878,541)	(1,878,541)	(104,914)	(284,467)	(284,467)	(194,215)
Cash fund balance, beginning of year	<u>1,878,541</u>	<u>1,878,541</u>	<u>1,878,541</u>	<u>284,467</u>	<u>284,467</u>	<u>284,467</u>
Cash fund balance, end of year	<u>\$ 0</u>	<u>0</u>	<u>1,773,627</u>	<u>0</u>	<u>0</u>	<u>90,252</u>

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

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND
 FUND EQUITY - REGULATORY BASIS - ALL CAPITAL PROJECTS FUNDS
 JUNE 30, 2014**

	<u>2012 GEN PURP BOND FUND</u>	<u>2013 BUILDING BOND FUND</u>	<u>2013 TRANSP. BOND FUND</u>	<u>2014 GEN PURP BOND FUND</u>	<u>2014 TRANSP. BOND FUND</u>	<u>TOTALS (Memorandum Only)</u>	
						<u>2014</u>	<u>2013</u>
<u>ASSETS</u>							
Cash	\$ 33,580	3,402,140	234,810	9,993,852	350,070	14,014,452	11,691,995
<u>LIABILITIES AND FUND EQUITY</u>							
Liabilities							
Encumbrances	\$		217,789	73,099		290,888	
Total Liabilities	0	0	217,789	73,099	0	290,888	0
Fund equity							
Cash fund balances	33,580	3,402,140	17,021	9,920,753	350,070	13,723,564	11,691,995
Total Liabilities and Fund Equity	\$ 33,580	3,402,140	234,810	9,993,852	350,070	14,014,452	11,691,995

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN CASH FUND BALANCES - REGULATORY BASIS - ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	2011 TRANSP. BOND FUND A	2012 GEN PURP BOND FUND	2013 BUILDING BOND FUND	2013 TRANSP. BOND FUND	2014 GEN PURP BOND FUND	2014 0 BOND FUND	TOTALS (Memorandum Only)	
							2014	2013
Revenues								
Local sources (interest earnings)	\$ 0	242	8,721	534	3,652	70	13,219	7,004
Expenditures:								
Support Services	78,119		2,000	333,632	5,369		419,120	8,933,556
Facilities, acquisition & const. services		1,527,114	6,307,886		77,530		7,912,530	
Total expenditures	78,119	1,527,114	6,309,886	333,632	82,899	0	8,331,650	8,933,556
Revenues over (under) expenditures	(78,119)	(1,526,872)	(6,301,165)	(333,098)	(79,247)	70	(8,318,431)	(8,926,552)
Other financing sources (uses):								
Lapsed appropriations								2,895
Bond sales proceeds					10,000,000	350,000	10,350,000	10,050,000
Total other financing sources (uses)	0	0	0	0	10,000,000	350,000	10,350,000	10,052,895
Revenue and other sources over (under) expenditures and other uses	(78,119)	(1,526,872)	(6,301,165)	(333,098)	9,920,753	350,070	2,031,569	1,126,343
Cash fund balance, beginning of year	78,119	1,560,452	9,703,305	350,119	0	0	11,691,995	10,565,652
Cash fund balance, end of year	\$ 0	0	3,402,140	17,021	9,920,753	350,070	13,723,564	11,691,995

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND
 FUND EQUITY - ALL FIDUCIARY FUND TYPES - REGULATORY BASIS
 JUNE 30, 2014**

	AGENCY FUNDS	
	ACTIVITY FUNDS	
	2014	2013
<u>ASSETS</u>		
Cash	\$ 1,273,566	1,286,526
Investments	210,481	200,000
Total Assets	1,484,047	1,486,526

LIABILITIES AND FUND EQUITY

Liabilities		
Funds held for school organizations	\$ 1,484,047	1,486,526

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Net</u> <u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>Assets</u>					
Cash	\$ 1,286,526	2,680,649		2,683,128	1,273,566
Investments	200,000	10,481			210,481
Total Assets	<u>\$ 1,486,526</u>	<u>2,691,130</u>	<u>0</u>	<u>2,683,128</u>	<u>1,484,047</u>
<u>Liabilities</u>					
Funds held for school organizations:					
101 Central Elem Misc	\$ 11,737	23,764	(745)	25,073	9,683
102 Central Interm Misc	22,858	62,804	570	59,034	27,198
103 North Elem Misc	12,530	41,759	4,925	52,402	6,812
104 North Interm Misc	64,303	102,550	(117)	107,563	59,173
105 High School Misc	80,096	50,788	(3,644)	65,203	62,037
106 Northeast E&I Misc	0	80,014	2,027	71,927	10,114
107 Middle School Misc	21,625	11,214	(443)	19,334	13,062
180 All Sports	1,143	1,313		733	1,723
181 Administration	103,755	70,299	(5,850)	56,845	111,359
182 Transportation	271	1,036		1,031	276
183 Maintenance	38	720	539	834	463
184 Bixby Learning Center	1,331	1,694		1,747	1,278
185 Child Nutrition	541	500		0	1,041
186 Beef Piano Maint	1,316	0		85	1,231
188 Central Music & P.E.	262	0	1,245	0	1,507
239 All Special Education	43,006	68,667	(50)	56,891	54,732
801 Football	143	22,768	37,500	57,694	2,717
802 Basketball - Boys	31,485	2,666	7,000	14,950	26,201
803 Basketball - Girls	19,264	29,237	9,743	39,456	18,788
804 Swimming	3,226	2,490	4,800	8,515	2,001
805 Baseball	12,198	0	5,500	9,891	7,807
806 Softball - Fast Pitch	6,498	0	5,500	3,087	8,911
807 Wrestling	1,164	2,470	5,450	6,678	2,406
808 Tennis	4,174	9,184	5,000	16,075	2,283
809 Trainer - Athletic	2,054	704	14,382	15,681	1,459
811 Track - Boys	5,990	1,380	2,500	3,957	5,913
812 Track - Girls	2,574	1,932	2,270	3,700	3,076
813 Golf - Boys	258	33,176	4,800	36,983	1,251

INDEPENDENT SCHOOL DISTRICT NO. 1-4, TULSA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Net</u> <u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
814 Cross Country	955	915	2,000	2,334	1,536
815 Soccer - Boys	6,280	1	5,500	8,629	3,152
816 Volleyball	1,266	5,546	5,250	9,128	2,934
817 Golf - Girls	1,637	1,818	5,000	7,427	1,028
818 State Playoffs	0	30		0	30
819 All Sports	190,524	251,632	(129,076)	167,756	145,324
820 Soccer - Girls	2,573	4,859	5,900	10,161	3,171
822 Spartan Club	3,545	14,543	(5,319)	9,224	3,545
823 Softball - Slow Pitch	6,355	0	5,500	5,131	6,724
848 Cheer Dance	2,310	0	4,051	6,131	230
850 Athletic/Activity Director	570	0	3,500	2,726	1,344
868 OSSAA	937	36,766	(1,656)	34,649	1,398
900 Cocurricular/Extracurricular	61,130	188,452	(12,652)	178,330	58,600
901 Art High School	403	0	(403)	0	0
902 Dance Team	23,598	56,709	(7,054)	55,099	18,154
903 Middle School Band	22,495	59,165		49,636	32,024
904 HS Band Student Account	71,175	188,144	3,579	230,914	31,984
905 Band Boosters	37,517	118,236	(2,132)	88,871	64,750
906 Concession Repair	2,490	0		113	2,377
907 State Stuco Convention	4,450	181,843		177,845	8,448
909 Banquet Account	4,587	50	75	550	4,162
911 Interact	1,983	2,259		1,423	2,819
913 Math Counts	144	4,390		4,027	507
914 Art - M.S.	170	2,211		1,680	701
915 FFA	12,069	66,014		66,322	11,761
916 DECA	1,489	4,041		3,599	1,931
917 FCCLA	4,005	15,404	1,350	18,495	2,264
918 FFA Boosters	17,538	14,882		18,819	13,601
919 French Club	624	1,201		1,274	551
920 Art - Central Elem	9,328	8,719		8,722	9,325
921 German Club	2,346	0		467	1,879
923 Interest	186,800	21,763		0	198,082
924 Jr Class	6,297	10,377		11,935	4,739
925 Journalism	106	14,732		12,085	2,753
926 HS Media	\$ 5,909	1,855		1,387	6,377
927 Central Interm Media Center	10,486	10,533		8,109	12,910
928 Central Elem Media	4,858	16,006		14,681	6,183
929 Slow Pitch Softball Boosters	2,196	5,414		5,047	2,563

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 ALL AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Net</u> <u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
930 Key Club	539	0		0	539
931 Musical	7,715	3,066	(991)	4,331	5,459
932 NHS	15,075	14,583		10,957	18,701
933 FCA	102	4,725		3,461	1,366
934 Cheer	24,509	86,411	11,698	87,374	35,244
935 Gradfest	10,066	9,115	7,920	16,683	10,418
936 North Interm Accel Reader	371	0		0	371
937 North Interm Media Center	9,455	8,149		9,315	8,289
938 North Interm PTA	1,258	0		0	1,258
939 North Interm Stuco	6,456	5,831		3,803	8,484
940 HS History Club	85	0		0	85
941 Sr Class	3,539	16,536	(4,613)	8,678	6,784
942 Drama	4,438	9,959	485	10,766	4,116
944 HS Stuco	1,498	25,676		20,357	6,817
945 Swim Team Boosters	6,136	10,828	300	14,502	2,762
946 HS Spanish Club	3,029	0		0	3,029
947 Swim Club	4,010	38,075		32,396	9,689
948 Central Elem Hospitality	0	325		210	115
949 NE E&I Stuco	0	1,798		1,791	7
950 Robotics	3,814	23,650	1,000	21,284	7,180
951 NE E&I Yearbook	0	4,098		2,105	1,993
952 HS Vocal Music	903	16,218	57	14,694	2,484
953 NE E&I Media Center	0	14,499		12,214	2,285
955 HS Yearbook	5,611	28,825	60	16,027	18,469
956 Central Elem Yearbook	9,547	8,090		5,916	11,721
957 North Interm Yearbook	5,741	3,700		3,798	5,643
958 BPA	666	0		140	526
959 FBLA	327	0		252	75
960 Dance Club	0	1,616		0	1,616
961 HS Academic Team	701	0		45	656
962 Track Boosters	513	0		0	513
963 Basketball Boosters	6,120	24,396	(5,133)	18,130	7,253
964 Tennis Boosters	\$ 4,338	18,493		19,022	3,809
965 MS Stuco	2,969	7,751		6,763	3,957
966 MS Media	177	6,346		5,564	959
967 MS Vocal	5,831	31,327	(82)	30,069	7,007
968 BEA	74	0		0	74
969 Central Elem PTA	390	0		182	208

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

	Balance <u>July 1, 2013</u>	Additions	Net <u>Transfers</u>	Deletions	Balance <u>June 30, 2014</u>
970 North Elem PTA	401	30,654		29,409	1,646
971 Central Interm PTA	133	0		0	133
972 MS Yearbook	4,079	2,475		2,443	4,111
973 Cheer Boosters	8,486	21,750	1,068	22,363	8,941
974 Softball Boosters	12,458	29,595	(737)	25,840	15,476
975 HS Band	79	0		0	79
976 Indian Club	815	0		0	815
978 ROTC Boosters	2,163	2,396	127	2,073	2,613
979 Central Interm Accel Reader	902	11,687		10,957	1,632
980 Volleyball Club	0	12,181		10,118	2,063
981 Baseball Boosters	54,537	72,597	(2,057)	78,954	46,123
982 MS Spanish Club	983	542		579	946
984 ROTC	3,488	8,289	3,562	13,110	2,229
985 Armory/Student Store	9,930	24,237	1,935	26,986	9,116
986 Volleyball Boosters	14,093	27,569	3,156	26,560	18,258
987 MS PTO	11,615	0		9,239	2,376
988 Wrestling Boosters	5,112	15,592	575	13,535	7,744
989 Spartan Testing	13,935	23,722		25,343	12,314
990 Soccer Boosters	14,196	20,807		18,224	16,779
991 North Elem Media Center	3,074	10,684		11,346	2,412
992 North Elem Yearbook	6,910	8,206	(4,500)	5,824	4,792
993 Central Interm Yearbook	2,251	5,054		4,214	3,091
994 Central Interm Stuco	2,294	3,053	(95)	2,716	2,536
995 Hall of Fame	1,483	1,169	(50)	924	1,678
996 North Elem Hospitality	22	807		625	204
997 Freshman Class	1,032	539		698	873
998 Sophomore Class	1,067	1,800		2,124	743
Total Liabilities	<u>\$ 1,486,526</u>	<u>2,691,130</u>	<u>0</u>	<u>2,683,128</u>	<u>1,484,047</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Federal Grantor's/ Pass-through Grantor's Number	Program or Award Amount	Beginning Balance 7/01/2013	Revenue Collected	Total Expenditures	Ending Balance 6/30/2014
<u>U.S. Department of Education:</u>							
<u>Direct Programs:</u>							
Title VII-Part A, Indian Education	84.060	S060A131286	\$ 120,585		120,585	120,585	
Title VII-Part A, Indian Education 2012-13 - Note 1	84.060	S060A121286		(18,870)	18,870		
Subtotal			120,585	(18,870)	139,455	120,585	0
<u>Passed Through State Department of Human Services:</u>							
Job Training - OJT	84.126		7,400		7,400	7,400	
Medicaid	93.778			42,111	44,675	86,786	
Subtotal			7,400	42,111	52,075	94,186	0
<u>Passed Through State Department of Education:</u>							
* Title I-Part A, Improving Basic Programs	84.010		420,158		52,919	374,494	(321,575)
Title I-Part A 2012-13 - Note 1	84.010			(269,177)	269,177		
* Special Education Programs -							
Flowthrough, P.L. 105-17	84.027		933,400			890,940	(890,940)
Flowthrough, P.L. 105-17 2012-13 - Note 1	84.027			(902,706)	902,706		
Project ECCO 2012-13 - Note 1	84.391			(731)	731		
Preschool, Ages 3-5, P.L. 105-17	84.173		32,195			29,838	(29,838)
Preschool, Ages 3-5, P.L. 105-17 2012-13 - Note 1	84.173			(25,240)	25,240		
Title II-Part A, Teacher & Principal Training	84.336		99,362			84,738	(84,738)
Title II-Part A 2012-13 - Note 1	84.336			(86,272)	86,272		
Title III-Part A, English as a Second Language	84.365		20,571			17,914	(17,914)
Title III-Part A 2012-13 - Note 1	84.365			(23,705)	23,705		
Subtotal			1,505,686	(1,307,831)	1,360,750	1,397,924	(1,345,005)
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins Grant	84.048		28,612			23,122	(23,122)
Carl Perkins Grant 2012-13 - Note 1	84.048			(31,138)	31,138		
Subtotal			28,612	(31,138)	31,138	23,122	(23,122)

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Federal Grantor's/ Pass-through Grantor's Number	Program or Award Amount	Beginning Balance 7/01/2013	Revenue Collected	Total Expenditures	Ending Balance 6/30/2014
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education:</u>							
Child Nutrition Cluster:							
Non-Cash Assistance (Commodities):							
National School Lunch Program	10.555				123,774	123,774	
Non-Cash Assistance Subtotal					<u>123,774</u>	<u>123,774</u>	
Cash Assistance:							
National School Lunch Program	10.555				511,853	511,853	
School Breakfast Program	10.553				100,811	100,811	
Cash Assistance Subtotal					<u>612,664</u>	<u>612,664</u>	
Total For Program (Cluster)					<u>736,438</u>	<u>736,438</u>	
<u>Other Federal Assistance:</u>							
JROTC - Marines	12.N/A		73,729		67,567	73,729	(6,162)
JROTC - Marines 2012-13 - Note 1	12.N/A			(6,135)	6,135		
Subtotal			<u>73,729</u>	<u>(6,135)</u>	<u>73,702</u>	<u>73,729</u>	<u>(6,162)</u>
Total Federal Assistance			<u>\$ 1,736,012</u>	<u>(1,321,863)</u>	<u>2,393,558</u>	<u>2,445,984</u>	<u>(1,374,289)</u>

* Major federal programs

Note 1 - These amounts represent reimbursements for prior year expenditures which were not received until the current fiscal year.

Note 2 - Commodities received by the District in the amount of \$123,774 were of a non-monetary nature and therefore the total revenue does not agree with the financial statements by this amount.

Note 3 - This schedule was prepared on a regulatory basis of accounting consistent with the preparation of the combined financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
STATEMENT OF STATUTORY, FIDELITY AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2014**

<u>BONDING COMPANY</u>	<u>POSITION COVERED</u>	<u>BOND NUMBER</u>	<u>COVERAGE</u>	
			<u>AMOUNT</u>	<u>EFFECTIVE DATES</u>
Ohio Casualty Insurance	Treasurer	5071296	\$ 100,000	7/1/13-6/30/14
	Superintendent	5056070	100,000	7/1/13-6/30/14
	Encumbrance Clerk	5061836	100,000	7/1/13-6/30/14
	Encumbrance Clerk	5061868	100,000	7/1/13-6/30/14
	Activity Fund Custodian	5061833	100,000	7/1/13-6/30/14
	Chief Financial Officer	5061871	100,000	7/1/13-6/30/14
	Payroll Director	5083122	100,000	7/1/13-6/30/14
	Activity Fund Custodian	5061831	100,000	7/1/13-6/30/14
	Child Nutrition Custodian	5061860	10,000	7/1/13-6/30/14
	Child Nutrition Custodian	5061849	10,000	7/1/13-6/30/14
	Activity Fund Custodian	5061846	10,000	7/1/13-6/30/14
	Activity Fund Custodian	5061843	10,000	7/1/13-6/30/14
	Activity Fund Custodian	5062264	10,000	7/1/13-6/30/14
	Athletics	5061823	10,000	7/1/13-6/30/14
	Child Nutrition Custodian	5061837	10,000	7/1/13-6/30/14
	Child Nutrition Custodian	5061825	10,000	7/1/13-6/30/14
	Athletics	5061826	10,000	7/1/13-6/30/14
	Minutes Clerk	5091237	10,000	7/1/13-6/30/14
	Child Nutrition Custodian	601072374	10,000	2/18/14-2/18/15
	Activity Fund Custodian	5086115	10,000	7/1/13-6/30/14
	Athletics	5091239	10,000	7/19/13-7/19/14
	Athletics	5091235	10,000	7/19/13-7/19/14
	Child Nutrition Custodian	601036172	10,000	7/24/13-7/24/14
	Child Nutrition Custodian	601036174	10,000	7/24/13-7/24/14
	Child Nutrition Custodian	5091236	10,000	8/1/13-8/1/14
	Child Nutrition Custodian	601072374	10,000	2/18/14-2/18/15
	Activity Fund Custodian	601024236	100,000	3/1/13-3/1/14
	Alternative Education	601067806	10,000	9/15/13-9/15/14
	Child Nutrition Custodian	601067791	10,000	9/10/13-9/10/14



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

**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**

December 5, 2014

The Honorable Board of Education
Bixby School District Number I-4
Bixby, Tulsa County, Oklahoma

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements – regulatory basis within the combined financial statements of the Bixby School District Number I-4, Bixby, Tulsa County, Oklahoma (District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 5, 2014, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

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

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

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 agreement, compliance with which could have a direct and material effect on the determination of financial statements 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.

A handwritten signature in black ink that reads "Sanders, Bledsoe & Hewett". The signature is written in a cursive, flowing style.

Sanders, Bledsoe & Hewett
Certified Public Accounts, LLP



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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

December 5, 2014

The Honorable Board of Education
Bixby School District Number I-4
Bixby, Tulsa County, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Bixby School District Number I-4, Bixby, Tulsa County, Oklahoma (District)'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 the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material 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, 2014.

Report on Internal Control Over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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



Sanders, Bledsoe & Hewett
Certified Public Accounts, LLP

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS
JUNE 30, 2014

Section 1 – Summary of Auditor’s Results:

1. A qualified opinion was issued on the financial statements with respect to the regulatory basis of accounting prescribed.
2. The audit disclosed no significant deficiencies in the internal controls.
3. The audit disclosed no instances of noncompliance which were material to the financial statements.
4. The audit disclosed no significant deficiencies in the internal controls over major programs.
5. An unqualified opinion report was issued on the compliance of major programs.
6. The audit disclosed no findings which were required to be reported under OMB Circular A-133 § 510(a).
7. Programs determined to be major are the IDEA-B Special Education Programs (84.027, 84.173), which were clustered in determination and the Title I Programs (10.010), which was not clustered.
8. The dollar threshold used to determine between Type A and Type B programs was \$300,000.
9. The auditee was not determined to be a low-risk auditee.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS:

No findings

Section 3 – Findings and questioned costs for federal awards:

No findings

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
DISPOSITION OF PRIOR YEAR'S REPORTABLE CONDITIONS AND MATERIAL
INSTANCES OF NON-COMPLIANCE
JUNE 30, 2014

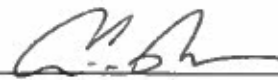
There were no prior year reportable conditions.

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE
AFFIDAVIT
JULY 1, 2013 TO JUNE 30, 2014

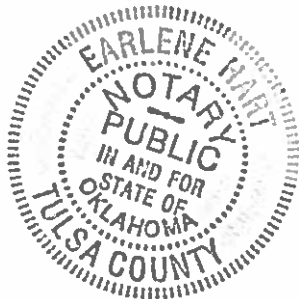
State of Oklahoma)
) ss
County of Tulsa)

The undersigned auditing firm of lawful ages, 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 Bixby Public Schools for the audit year 2013-14.

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP
Auditing Firm

By 
Authorized Agent

Subscribed and sworn to before me
This 5th day of December, 2014




Notary Public (or Clerk or Judge)

My Commission Expires: 5/19/2016
Commission No. 00008621