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**BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA**

Financial Statements
June 30, 2011

With Independent Auditors' Report Thereon

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
June 30, 2011

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BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
June 30, 2011

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**BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA**

School District Officials

June 30, 2011

Board of Education

President

Leon Petete

Vice-President

Jamie Perry

Clerk

Craig Williams

Member

Judy Brooks

Member

Jeff Case

School District Treasurer

Pam Delozier

Minute Clerk

Pam Delozier

Encumbrance Clerk

Kathy Seymour

Superintendent of Schools

Todd Crabtree

JOHNSTON & BRYANT

Certified Public Accountants

Pete Johnston, C.P.A.
Allen Bryant, Jr., C.P.A.

P.O. Box 1564
Ada, Oklahoma 74821-1564
(580) 332-5549

MEMBER
American Institute of Certified Public Accountants
Oklahoma Society of Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Board of Education
Byng Independent School District Number I-16
Byng, Pontotoc County, Oklahoma

We have audited the accompanying fund type and account group financial statements of Byng Independent School District No. I-16, Pontotoc 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 Byng Independent School District, No. I-16, Pontotoc County, Oklahoma, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the 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 differs from accounting principles generally accepted in the United States of America. The effect on the financial statements resulting from the use of this regulatory basis of accounting and presentation as compared to accounting principles generally accepted in the United States of America cannot be reasonably determined, but is considered material.

In addition, the District has not maintained the cost of fixed assets purchased in previous years and thus does not know the amounts that should be recorded in the General Fixed Asset Account Group. Therefore, the General Fixed Asset Account Group has not been presented. This information is required under the regulatory presentation prescribed by the Oklahoma State Department of Education.

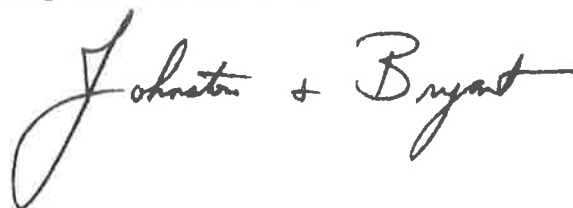
Byng Independent School District I-16
Pontotoc County, Oklahoma

In our opinion, because of the effects of the matters discussed in the third paragraph, the financial statements referred to above do not present fairly in all material respects, in conformity with accounting principles generally accepted in the United States of America, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Byng Independent School District, No. I-16, Pontotoc County, Oklahoma, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended.

In our opinion, except for the omission of the General Fixed Asset Account Group which results in an incomplete presentation as explained in the fourth paragraph, the financial statements referred to above do present fairly, in all material respects, the assets, the liabilities, and equity arising from regulatory basis transactions of each fund type and account group of Byng Independent School District No. I-16, Pontotoc County, 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 August 16, 2011, on our consideration of the Byng Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal 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 and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements within the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The Schedule of Expenditures of Federal Awards, the combining fund statements and schedules and other schedules as listed in the table of contents under other supplementary information have been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole on the regulatory basis of accounting described in Note 1.



August 16, 2011

COMBINED FINANCIAL STATEMENTS

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
 Combined Statement of Assets, Liabilities and Fund Balance
 All Fund Types and Account Group – Regulatory Basis
 June 30, 2011

	Governmental Fund Types			
	General	Special Revenue	Co-op	Debt Service
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 2,914,150	\$ 1,484,502	\$ 8,262	\$ 354,376
Amounts Available In Debt Services Fund	-	-	-	-
Amounts to be Provided for Retirement of General Long-Term Debt	-	-	-	-
TOTAL ASSETS	<u>\$ 2,914,150</u>	<u>\$ 1,484,502</u>	<u>\$ 8,262</u>	<u>\$ 354,376</u>
<u>LIABILITIES AND FUND BALANCE:</u>				
<u>LIABILITIES:</u>				
Warrants Payable	\$ 1,038,736	\$ 47,638	\$ 12,974	\$ -
Encumbrances	-	-	-	-
Long-Term Debt Bonds Payable	-	-	-	-
TOTAL LIABILITIES	<u>1,038,736</u>	<u>47,638</u>	<u>12,974</u>	<u>-</u>
<u>FUND BALANCE:</u>				
Designated	-	-	-	354,376
Undesignated	1,875,414	1,436,864	(4,712)	-
TOTAL FUND BALANCE	<u>1,875,414</u>	<u>1,436,864</u>	<u>(4,712)</u>	<u>354,376</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,914,150</u>	<u>\$ 1,484,502</u>	<u>\$ 8,262</u>	<u>\$ 354,376</u>

The accompanying notes are an integral part of this statement.

<u>Governmental Fund Type</u> Capital Projects	<u>Fiduciary Fund Types</u> Trust and Agency	<u>Account Group</u> Long-Term Debt	<u>Total (Memorandum Only)</u>
\$ 34,888	\$ 257,848	\$ -	\$ 5,054,026
-	-	354,376	354,376
-	-	320,624	320,624
<u>\$ 34,888</u>	<u>\$ 257,848</u>	<u>\$ 675,000</u>	<u>\$ 5,729,026</u>
\$ -	\$ -	\$ -	\$ 1,099,348
-	-	-	-
-	-	675,000	675,000
-	-	675,000	1,774,348
34,888	-	-	389,264
-	257,848	-	3,565,414
<u>34,888</u>	<u>257,848</u>	<u>-</u>	<u>3,954,678</u>
<u>\$ 34,888</u>	<u>\$ 257,848</u>	<u>\$ 675,000</u>	<u>\$ 5,729,026</u>

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
 Combined Statement of Revenues Collected, Expenditures Paid and
 Changes in Fund Balances
 All Governmental Fund Types – Regulatory Basis
 Year Ended June 30, 2011

	Governmental Type Funds			
	General	Special Revenue	Co-Op	Debt Services
<u>REVENUES COLLECTED:</u>				
District Sources	\$ 1,776,158	\$ 458,628	\$ 46,505	\$ 359,015
Intermediate Sources	245,217	-	-	-
State Sources	8,190,036	51,440	45,049	-
Federal Sources	2,277,984	655,828	137,750	-
TOTAL REVENUE COLLECTED	12,489,395	1,165,896	229,304	359,015
<u>EXPENDITURES PAID:</u>				
Instruction	7,575,340	-	87,560	-
Support Services	4,525,307	65,437	146,456	-
Non-Instruction Services	33,720	729,633	-	-
Capital Outlay	-	141,852	-	-
Other Outlays	25,347	-	-	395,613
TOTAL EXPENDITURES PAID	12,159,714	936,922	234,016	395,613
Excess of Revenues Collected Over (Under) Expenditures Paid	329,681	228,974	(4,712)	(36,598)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	-	-	-	-
Excess Of Revenues Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	329,681	228,974	(4,712)	(36,598)
FUND BALANCE, BEGINNING OF YEAR	1,545,733	1,207,890	-	390,974
FUND BALANCE, END OF YEAR	<u>\$ 1,875,414</u>	<u>\$ 1,436,864</u>	<u>\$ (4,712)</u>	<u>\$ 354,376</u>

The accompanying notes are an integral part of this statement.

<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
\$ 14,500	\$ 2,654,806
-	245,217
-	8,286,525
-	3,071,562
<u>14,500</u>	<u>14,258,110</u>

-	7,662,900
20,926	4,758,126
-	763,353
71,048	212,900
-	420,960
<u>91,974</u>	<u>13,818,239</u>

(77,474)	439,871
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(77,474)	439,871
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112,362	3,256,959
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\$ 34,888	\$ 3,696,830
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**BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA**

Combined Statement of Revenues Collected, Expenditures Paid
And Changes in Fund Balance - Budget and Actual - Regulatory Basis
Budgeted Governmental Fund - General Fund
Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUE COLLECTED:</u>				
District Sources	\$ 1,555,303	\$ 1,555,303	\$ 1,776,158	\$ 220,855
Intermediate Sources	212,135	212,135	245,217	33,082
State Sources	7,157,228	7,157,228	8,190,036	1,032,808
Federal Sources	1,882,942	1,882,942	2,277,984	395,042
TOTAL REVENUE COLLECTED	10,807,608	10,807,608	12,489,395	1,681,787
<u>EXPENDITURES PAID:</u>				
Instruction	7,768,711	7,768,711	7,575,340	193,371
Support Services	4,525,560	4,525,560	4,525,307	253
Non-Instruction Services	33,720	33,720	33,720	-
Capital Outlays	-	-	-	-
Other Outlays	25,350	25,350	25,347	3
TOTAL EXPENDITURES PAID	12,353,341	12,353,341	12,159,714	193,627
Excess of Revenue Collected Over (Under) Expenditures Paid	(1,545,733)	(1,545,733)	329,681	1,875,414
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	-	-	-	-
Excess of Revenue Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(1,545,733)	(1,545,733)	329,681	1,875,414
FUND BALANCE, BEGINNING OF YEAR	1,545,733	1,545,733	1,545,733	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 1,875,414	\$ 1,875,414

The accompanying notes are an integral part of this statement.

**BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA**

Combined Statement of Revenues Collected, Expenditures Paid
And Changes in Fund Balance - Budget and Actual - Regulatory Basis
Budgeted Governmental Fund - Special Revenue Fund
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUE COLLECTED:</u>				
District Sources	\$ 388,571	\$ 388,571	\$ 458,628	\$ 70,057
State Sources	10,786	10,786	51,440	40,654
Federal Sources	479,383	479,383	655,828	176,445
TOTAL REVENUE COLLECTED	<u>878,740</u>	<u>878,740</u>	<u>1,165,896</u>	<u>287,156</u>
<u>EXPENDITURES PAID:</u>				
Instruction	-	-	-	-
Support Services	66,000	66,000	65,437	563
Non-Instruction Services	908,911	908,911	729,633	179,278
Other Outlays	1,111,719	1,111,719	141,852	969,867
Capital Outlays	-	-	-	-
TOTAL EXPENDITURES PAID	<u>2,086,630</u>	<u>2,086,630</u>	<u>936,922</u>	<u>1,149,708</u>
Excess of Revenue Collected Over (Under) Expenditures Paid	(1,207,890)	(1,207,890)	228,974	1,436,864
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	-	-	-	-
Excess of Revenue Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(1,207,890)	(1,207,890)	228,974	1,436,864
FUND BALANCE, BEGINNING OF YEAR	<u>1,207,890</u>	<u>1,207,890</u>	<u>1,207,890</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,436,864</u>	<u>\$ 1,436,864</u>

The accompanying notes are an integral part of this statement.

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
 Combined Statement of Revenues Collected, Expenditures Paid
 And Changes in Fund Balance - Budget and Actual - Regulatory Basis
 Budgeted Governmental Fund - Co-op Fund
 Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUE COLLECTED:</u>				
District Sources	\$ 20,000	\$ 46,505	\$ 46,505	\$ -
Intermediate Sources	-	-	-	-
State Sources	41,324	41,324	45,049	3,725
Federal Sources	159,291	170,452	137,750	(32,702)
TOTAL REVENUE COLLECTED	<u>220,615</u>	<u>258,281</u>	<u>229,304</u>	<u>(28,977)</u>
<u>EXPENDITURES PAID:</u>				
Instruction	73,615	111,281	87,560	23,721
Support Services	147,000	147,000	146,456	544
Non-Instruction Services	-	-	-	-
Capital Outlay	-	-	-	-
Other Outlays	-	-	-	-
TOTAL EXPENDITURES PAID	<u>220,615</u>	<u>258,281</u>	<u>234,016</u>	<u>24,265</u>
Excess of Revenue Over (Under) Expenditures Paid	-	-	(4,712)	(4,712)
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	-	-	-	-
Excess of Revenue Over (Under) Expenditures Paid and Other Financing Sources (Uses)	-	-	(4,712)	(4,712)
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,712)</u>	<u>\$ (4,712)</u>

The accompanying notes are an integral part of this statement.

**BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA**

Combined Statement of Revenues Collected, Expenditures Paid
And Changes in Fund Balance - Budget and Actual - Regulatory Basis
Budgeted Governmental Fund Types – Debt Service
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUE COLLECTED:</u>				
District Sources	\$ 339,601	\$ 339,601	\$ 359,015	\$ 19,414
Intermediate Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
TOTAL REVENUE COLLECTED	<u>339,601</u>	<u>339,601</u>	<u>359,015</u>	<u>19,414</u>
<u>EXPENDITURES PAID:</u>				
Instruction	-	-	-	-
Support Services	-	-	-	-
Non-Instruction Services	-	-	-	-
Capital Outlays	-	-	-	-
Debt Service	395,613	395,613	395,613	-
TOTAL EXPENDITURES PAID	<u>395,613</u>	<u>395,613</u>	<u>395,613</u>	<u>-</u>
Excess of Revenue Collected Over (Under) Expenditures Paid	(56,012)	(56,012)	(36,598)	19,414
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	-	-	-	-
Excess of Revenue Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(56,012)	(56,012)	(36,598)	19,414
FUND BALANCE, BEGINNING OF YEAR	<u>390,974</u>	<u>390,974</u>	<u>390,974</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 334,962</u>	<u>\$ 334,962</u>	<u>\$ 354,376</u>	<u>\$ 19,414</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2011

Note 1. Summary of Significant Accounting Policies

The basic financial statements of the Byng Public Schools Independent District No. I-16 (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 basis -- but not the only -- criterion for including a potential component unit in 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 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 involved 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.

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

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 fund of the District consists of the Building Fund and Child Nutrition Fund.

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.

Child Nutrition Fund - The Child Nutrition Fund consists of monies collected from meals served to students and employees of the district and is expended on food, supplies and salaries.

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Debt Service Fund - 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.

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.

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 fund).

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 formal trust agreement, either a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the District is under an obligation to maintain the trust principle. 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.

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 group 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.

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

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.

General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the school district.

Memorandum Only - Total Column

The total column on the combined 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 basic 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 by purchase orders, contracts, and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

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 first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If the 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.

A budget is legally adopted by the Board of Education for All Governmental Type Funds that includes revenues and expenditures.

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.

E. Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Encumbrances outstanding at June 30, 2011 that were provided for in the subsequent year's budget are:

General Fund	\$	-
Special Revenue Fund - Food Service		-
Capital Projects Fund		-
		<hr style="border: 0.5px solid black;"/>
Total	\$	<hr style="border: 1px solid black;"/>

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

F. 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 the purchase of Certificates of Deposit. All investments are recorded at cost.

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

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

Compensated Absences - The school does not calculate a dollar value of compensated absences. The amount is paid each year to the employees.

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.

Due to Activity Groups - Due to Activity groups represent the funds received from school related groups and organizations over which the board of education exercises control. These funds are credited to the account maintained by the District for the benefit of the group or organization.

Reserved for Debt Service - The balance of the sinking Fund is restricted by Oklahoma statutes to be used only for paying of the principal and interest on bonds and judgments (to the extent of all outstanding obligations of the District).

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

G. Revenue, Expenses and Expenditures

Local Sources - Revenues from local sources is the money generated from within the District's boundaries. It includes ad valorem tax, interest income, tuition, fees, rentals, disposals, commissions and reimbursements.

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

G. Revenue, Expenses and Expenditures (continued)

Intermediate Sources - Revenues from intermediate sources are monies collected by an intermediate administrative unit (i.e. county government) between the District and the state levels, and distributed to the District in amounts that are different than the proportion collected within the District's boundaries.

State Sources - 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 revenues from the state to administer certain categorical educational programs. The 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 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.

Federal Sources - Revenues from federal sources are monies received from the federal government in the form of grants or entitlements (either directly or passed through another entity). A grant is monies received which must be spent for a specific purpose or activity. An entitlement is an amount given to the District based upon an allocation formula.

Instruction Expenditures - Instruction expenditures include the activities dealing directly with the interaction between teachers and students.

Support Services Expenditures - Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction.

Operation of Non-Instructional Services Expenditures - This expenditure category consists of activities which provide non-instructional services to students, staff or the community.

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

G. Revenue, Expenses and Expenditures (continued)

Capital Outlays - This expenditure category 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 improvements to sites.

Other Outlays - This category is for items not properly classified as expenditures, but which still require budgetary or accounting control.

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 expenditures/expenses in the fund that is reimbursed.

H. Statement of Cash Flows

Since the District does not currently have any Proprietary Fund Types, the statement of cash flows has not been presented in the fiscal 2011 accompanying financial statements.

I. Use of Estimates

The preparation of financial statement in conformity with the cash basis and budget laws of the Oklahoma State Department of Education requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 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; certificate of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies; Collateral is required for demand deposits and certificates of deposit for all amounts not covered by Federal Deposit Insurance.

In accordance with state statutes, the district's investment policy as follows:

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2011

Note 2. Cash and Investments (continued)

The Board of Education shall exercise complete control over all funds on hand or hereafter received or collected from any and all sources. Surplus or "idle" funds will be invested in the manner consistent with the Oklahoma School Code which will accrue the most benefit to the district.

Credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligation. Generally, the school's investments are managed under the custody of the school's treasurer. Investing is performed in accordance with the school's investment policy as described above. As of June 30, 2011 the school's investments were deposited in local banks in bank accounts and certificates of deposits. These accounts are in three banks that are entirely insured by the FDIC up to its limits, with the individual banks pledging securities for the deposits in excess of the FDIC limits. As such at June 30, 2011 the school was not subject to custodial credit risk. However, the school is subject to concentration of credit risk since each bank has deposits in excess of five percent of the school's total investments.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods of time are subject to increased risk of adverse interest rate changes. The schools policy provides that to the extent practicable, investments are matched with anticipated cash flows. The school's investments are held in bank accounts and certificates of deposit which are short term to minimize Interest Rate Risk to as low a level as possible.

The District's Deposits and investments are in various financial institutions as follows:

Insured (FDIC)	\$ 500,000
Collateralized by securities held by the pledging financial institution's trust department in the District's name	5,153,304
Uninsured, uncollateralized or collateralized by securities held its trust department or agent in other than the District's name	<u>-</u>
Total	<u>\$ 5,653,374</u>
Carrying Value	<u>\$ 5,054,026</u>

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2011

Note 3. Property Taxes

The District's ad valorem property tax is levied each October 1 on the assessed value for all real, business personal, and public service property located in the District. The assessed value of the certified roll, upon which the levy for the 2010 fiscal year was based, was \$48,043,613. On February 13, 2001, voters of the school district voted to make all current support levies permanent.

Note 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 the approval by the District 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 10 years from the date of issue. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

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

<u>Obligation</u>	<u>Balance Outstanding 7-1-10</u>	<u>Issued (Retired) During Year</u>	<u>Balance Outstanding 6-30-11</u>
2008 GO Bonds	\$ 1,000,000	\$ 325,000	\$ 675,000
Totals	<u>\$ 1,000,000</u>	<u>\$ 325,000</u>	<u>\$ 675,000</u>

**BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2011

Note 4. General Long-Term Debt (continued)

The annual requirements to retire bonds as of June 30, 2011 are as follows:

Fiscal Year Ended	Principal	Interest	Totals
6/30/12	\$ 325,000	\$ 15,212	\$ 340,212
6/30/13	350,000	5,250	355,250
Totals	<u>\$ 675,000</u>	<u>\$ 20,462</u>	<u>\$ 695,462</u>

Note 5. Employee Retirement System

Plan Description - The District participates in the 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 Teacher's 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 Teacher's Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, OK 73152 or by calling (405) 521- 2387.

Funding Policy - The contribution rates for the District and its employees are established by and may be amended by Oklahoma statute. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The Required contribution for the participating members is 7% of compensation. The District was required by statute to contribute 9.5% of applicable compensation from July 1, 2010 to June 30, 2011. The District is required to match the retirement paid on salaries paid with federal funds.

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2011

Note 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.

Note 7. Subsequent Events

There have been no subsequent events that would have a material adverse effect on the financial condition of the District.

Note 8. Risk Management

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

Note 9 The treasurer/minute clerk is bonded by Traveler's Casualty and Surety Company, for the sum of \$100,000.00 for the term of January 1, 2011 to January 1, 2012.

The encumbrance clerk is bonded by Western Surety Company, for the sum of \$1,000.00 for the term of July 1, 2010 to June 30, 2011.

The superintendent is bonded by Western Surety Company for the sum of \$100,000 for the term July 1, 2010 to June 30, 2011

COMBINING FINANCIAL STATEMENTS

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Combining Statement of Assets, Liabilities and Fund Balances – Regulatory Basis
All Special Revenue Funds
June 30, 2011

	<u>Building Fund</u>	<u>Child Nutrition Program Fund</u>	<u>Total (Memorandum Only)</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 1,128,019	\$ 356,483	\$ 1,484,502
TOTAL ASSETS	<u>\$ 1,128,019</u>	<u>\$ 356,483</u>	<u>\$ 1,484,502</u>
 <u>LIABILITIES AND CASH FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Warrants Payable	\$ 3,439	\$ 44,199	\$ 47,638
TOTAL LIABILITIES	<u>3,439</u>	<u>44,199</u>	<u>47,638</u>
 <u>FUND BLANCE:</u>			
Fund Balances – Undesignated	<u>1,124,580</u>	<u>312,284</u>	<u>1,436,864</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,128,019</u>	<u>\$ 356,483</u>	<u>\$ 1,484,502</u>

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Combining Statement of Revenues Collected, Expenditures Paid
And Changes in Fund Balances – Regulatory Basis
All Special Revenue Funds
Year Ended June 30, 2011

	<u>Building Fund</u>	<u>Child Nutrition Program Fund</u>	<u>Total (Memorandum Only)</u>
<u>REVENUES COLLECTED:</u>			
District Sources of Revenue	\$ 288,519	\$ 170,109	\$ 458,628
State Sources of Revenue	5,036	46,404	51,440
Federal Sources of Revenue	82,906	572,922	655,828
	<u>376,461</u>	<u>789,435</u>	<u>1,165,896</u>
<u>EXPENDITURES:</u>			
Instruction	-	-	-
Support Services	65,437	-	65,437
Non-Instruction Services	-	729,633	729,633
Capital Outlay	141,852	-	141,852
	<u>207,289</u>	<u>729,633</u>	<u>936,922</u>
Excess of Revenues Over (Under) Expenditures Paid	169,172	59,802	228,974
<u>OTHER RESOURCES AND USES:</u>			
Operating Transfers In	-	-	-
Revenues and Other Resources Over (Under) Expenditures and Other Uses	169,172	59,802	228,974
FUND BALANCE, BEGINNING OF YEAR	<u>955,408</u>	<u>252,482</u>	<u>1,207,890</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,124,580</u>	<u>\$ 312,284</u>	<u>\$ 1,436,864</u>

**BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA**

Combining Statement of Revenues Collected, Expenditures Paid
And Changes in Fund Balances – Budget and Actual (Regulatory Basis)
Special Revenue Fund Types
Year Ended June 30, 2011

	Building Fund		
	Original Budget	Final Budget	Actual
<u>Revenues Collected:</u>			
District Sources of Revenue	\$ 222,311	\$ 222,311	\$ 288,519
State Sources of Revenue	-	-	5,036
Federal Sources of Revenue	-	-	82,906
TOTAL REVENUE COLLECTED	<u>222,311</u>	<u>222,311</u>	<u>376,461</u>
 EXPENDITURES			
Instruction	-	-	-
Support Services	66,000	66,000	65,437
Non-Instruction Services	-	-	-
Capital Outlays	1,111,719	1,111,719	141,852
Other Outlays	-	-	-
TOTAL EXPENDITURES PAID	<u>1,177,719</u>	<u>1,177,719</u>	<u>207,289</u>
 Excess of Revenue Over (Under) Expenditures Paid	 (955,408)	 (955,408)	 169,172
 <u>OTHER RESOURCES AND USES:</u>			
Operating Transfers In	-	-	-
 Revenues and Other Resources Over (Under) Expenditures and Other Uses	 (955,408)	 (955,408)	 169,172
 FUND BALANCE, BEGINNING OF YEAR	 <u>955,408</u>	 <u>955,408</u>	 <u>955,408</u>
 FUND BALANCE, END OF YEAR	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 1,124,580</u>

Child Nutritional Fund			Total		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 166,260	\$ 166,260	\$ 170,109	\$ 388,571	\$ 388,571	\$ 458,628
10,786	10,786	46,404	10,786	10,786	51,440
479,383	479,383	572,922	479,383	479,383	655,828
<u>656,429</u>	<u>656,429</u>	<u>789,435</u>	<u>878,740</u>	<u>878,740</u>	<u>1,165,896</u>
-	-	-	-	-	-
-	-	-	66,000	66,000	65,437
908,911	908,911	729,633	908,911	908,911	729,633
-	-	-	1,111,719	1,111,719	141,852
-	-	-	-	-	-
<u>908,911</u>	<u>908,911</u>	<u>729,633</u>	<u>2,086,630</u>	<u>2,086,630</u>	<u>936,922</u>
(252,482)	(252,482)	59,802	(1,207,890)	(1,207,890)	228,974
-	-	-	-	-	-
(252,482)	(252,482)	59,802	(1,207,890)	(1,207,890)	228,974
252,482	252,482	252,482	1,207,890	1,207,890	1,207,890
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 312,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,436,864</u>

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Combining Statement of Assets, Liabilities and Fund Balances – Regulatory Basis
All Capital Projects Funds
June 30, 2011

	<u>Fire Loss Fund</u>	<u>2008 Bond Fund</u>	<u>Total (Memorandum Only)</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 34,888	\$ -	\$ 34,888
 TOTAL ASSETS	 <u>\$ 34,888</u>	 <u>\$ -</u>	 <u>\$ 34,888</u>
 <u>LIABILITIES AND CASH FUND</u>			
<u>BALANCES LIABILITIES:</u>			
Warrants Payable	\$ -	\$ -	\$ -
 TOTAL LIABILITIES	 <u>-</u>	 <u>-</u>	 <u>-</u>
 <u>FUND BALANCE:</u>			
Fund Balances - Designated	34,888	-	34,888
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 34,888</u>	 <u>\$ -</u>	 <u>\$ 34,888</u>

**BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA**

Combining Statement of Revenues Collected, Expenditures Paid
And Changes in Fund Balances – Regulatory Basis
All Capital Projects Funds
Year Ended June 30, 2011

	<u>Fire Loss Fund</u>	<u>2008 Bond Fund</u>	<u>Total (Memorandum Only)</u>
<u>REVENUES COLLECTED:</u>			
District Sources of Revenue	\$ 14,500	\$ -	\$ 14,500
State Sources of Revenue	-	-	-
Federal Sources of Revenue	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL REVENUE	\$ 14,500	\$ -	\$ 14,500
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES:</u>			
Instruction	-	-	-
Support Services	20,926	-	20,926
Non-Instruction Services	-	-	-
Capital Outlay	-	71,048	71,048
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES PAID	20,926	71,048	91,974
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures Paid	(6,426)	(71,048)	(77,474)
	<hr/>	<hr/>	<hr/>
<u>OTHER RESOURCES AND USES:</u>			
Operating Transfers In	-	-	-
	<hr/>	<hr/>	<hr/>
Revenues and Other Resources Over (Under) Expenditures and Other Uses	(6,426)	(71,048)	(77,474)
	<hr/>	<hr/>	<hr/>
FUND BALANCE, BEGINNING OF YEAR	41,314	71,048	112,362
	<hr/>	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	\$ 34,888	\$ -	\$ 34,888
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Combining Statement of Assets, Liabilities, and Fund Balance – Regulatory Basis
All Agency Funds
Year Ended June 30, 2011

	<u>Agency Fund</u>
	<u>School</u>
	<u>Activity Fund</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 394,980
TOTAL ASSETS	<u>\$ 394,980</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities	
Outstanding Checks	\$ 137,132
TOTAL LIABILITIES	<u>137,132</u>
Fund Balance	<u>257,848</u>
TOTAL FUND BALANCE	<u>257,848</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 394,980</u>

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Combining Statement of Assets, Liabilities, and Fund Balance -- Regulatory Basis
All Agency Funds
Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Net Transfers
<u>ASSETS</u>			
School Activity Fund			
Cash and Activity Fund	\$ 279,729	\$ 822,712	\$ -
TOTAL ASSETS	\$ 279,729	\$ 822,712	\$ -
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
Outstanding Checks	\$ 8,174	\$ -	\$ -
TOTAL LIABILITIES	8,174	-	-
Fund Equity			
Unreserved/Undesignated	189,071	603,408	(507)
Reserved/Student Groups	82,484	219,304	507
TOTAL FUND BALANCE	271,555	822,712	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 279,729	\$ 822,712	\$ -

<u>Disbursed</u>	<u>Balance June 30, 2011</u>
\$ 707,461	\$ 394,980
<u>\$ 707,461</u>	<u>\$ 394,980</u>
\$ 128,958	\$ 137,132
<u>128,958</u>	<u>137,132</u>
617,104	82,980
<u>219,315</u>	<u>174,868</u>
<u>836,419</u>	<u>257,848</u>
<u>\$ 707,461</u>	<u>\$ 394,980</u>

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
School Activity Funds – Detail
Year Ended June 30, 2011

Description	Beginning Balance 6/30/2010	Receipts	Adjustments	Disbursements	Ending Balance 6/30/2011
General Activity	\$ 44,268	\$ 46,617	\$ -	\$ 47,069	\$ 43,816
Concession	12,959	48,068	(25,000)	31,924	4,104
Auto Mechanics	596	3,057	-	3,563	90
Boys Basketball	541	6,136	-	5,670	1,007
Library	553	259	(45)	318	449
Trotters	2,287	4,531	-	3,621	3,198
Cosmetology	4,395	13,871	(70)	12,422	5,774
Swimming	209	-	-	190	19
Student Council	705	10,015	-	7,866	2,854
Alternative Education	91	149	-	210	30
National Honors Society	644	-	-	-	644
FCCLA	4,601	7,882	(2,611)	7,862	2,009
Spanish Club	2	576	-	577	1
Business	9,466	9,285	-	8,484	10,266
Junior High Miscellaneous	3,756	3,915	-	4,390	3,280
Elementary Fund	6,930	17,026	-	16,269	7,687
Junior High Leadership	648	1,000	-	369	1,278
Vocal Music	674	4,165	(60)	4,164	614
JH Science	740	250	-	702	288
Tennis	1,078	860	-	1,119	819
Baseball	4,761	6,984	-	10,781	963
Golf	60	600	-	215	445
Softball	1,674	44	1,350	1,970	1,098
Senior 2010	1,101	12,169	(114)	11,733	1,424
Vo-Ag	3,807	23,366	(824)	22,315	4,034
Refund Account	-	12,195	79,000	91,195	-
High School Fund	2,514	8,097	-	8,634	1,977
Girls Basketball	114	4,410	-	4,523	-
HS Honors Society	164	1,081	-	1,078	167
4-H	775	-	-	-	775
High School Science	-	-	-	-	-
Speech and Drama	5,282	4,362	-	6,688	2,956
Band	504	1,157	-	1,260	401
Track and Cross Country	457	460	-	300	617
Athletics	47,361	47,462	24,528	72,968	46,384
BETA	-	-	-	-	-
FCA	1,551	3,450	(1,350)	3,010	641
Extended Day Program	1,061	140,792	(79,000)	62,357	495
Bying Elementary Teachers CC	3,730	1,270	-	232	4,768
Art Club	1,752	527	-	177	2,103
Cheerleader	978	11,243	394	9,658	2,957
JH Cheerleader	271	4,008	-	3,964	314
Stokes Scholarship Fund	6,538	-	-	500	6,038
Elementary Yearbook	1,750	3,624	-	3,890	1,484
Native American Club	558	210	-	336	433
Yearbook 2006	2,339	18,274	45	17,747	2,912

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
School Activity Funds – Detail – Continued
Year Ended June 30, 2011

Description	Beginning Balance 6/30/2010	Receipts	Adjustments	Disbursements	Ending Balance 6/30/2011
JH Teachers Workroom	260	314	-	192	383
JH Student Council	1,340	616	-	519	1,437
CNP Collections	-	170,191	-	170,191	-
Horticulture	14,974	41,269	4,332	45,862	14,713
Elementary Library	361	4,561	-	4,218	704
Homer General Activity	24,227	49,958	(80)	43,053	31,052
Homer Early Childhood	322	3,728	-	2,658	1,392
Homer Media Center	6,570	13,394	-	12,778	7,186
Homer 4-H	484	2,470	(415)	2,064	474
Homer Yearbook	4,159	4,971	-	3,874	5,256
Homer Concession	209	263	-	150	323
Homer Athletics	5,945	8,268	-	9,374	4,839
Homer Student Council	403	4,253	-	3,191	1,465
Homer Special Olympics	639	-	-	162	478
Homer Kindergarten	1,066	4,102	-	3,298	1,870
Francis General Activity	3,475	6,554	-	8,068	1,961
Francis Fundraiser	18,585	13,125	-	24,553	7,158
Francis Kindergarten	633	2,289	-	2,327	594
Francis Teacher Conc.	916	253	-	408	761
Francis Media Center	1,353	4,699	-	4,077	1,976
Francis 4 Year Program	215	2,366	(80)	1,578	923
Francis First Grade	26	-	-	-	26
Francis Yearbook	1,146	1,620	-	1,505	1,261
Grand Total	\$ 271,554	\$ 822,712	\$ -	\$ 836,419	\$ 257,847

SUPPORTING SCHEDULES

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Schedule of Expenditures of Federal Awards - Statutory Basis
Year Ended June 30, 2011

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grantor's Number	Balance of Funds to Expend June 30, 2010	Receipts For Prior Year Expenditures
<u>U.S. Department of Education Direct Programs:</u>				
Impact Aid	84.041	46-OK-2011-1901	\$ 3,169	\$ -
Impact Aid - Disability	84.041	46-OK-2011-1902	-	-
Indian Education Title VII	84.060A	S060A090923	-	-
TOTAL U.S. DEPARTMENT OF EDUCATION			3,169	-
<u>Passed Through State Department of Education:</u>				
Flow Through, IDEA Part B	84.027	N/A	40,782	2,973
Title I - IASA	84.010	N/A	45,283	20,078
ARRA - GFS	84.397	N/A	259	-
Title II - A	84.367	N/A	-	-
Drug Free Schools - Title IV, Part A	84.186	N/A	3,070	-
Indian Education JOM	15.130	N/A	-	3,320
Title VI - Sub. 2	84.358	N/A	20,070	17,946
Title II - D Formula	84.318	N/A	227	-
Title II - D Educ through Tech	84.318	N/A	31	753
PreSchool 3-5, IDEA Part B	84.173	N/A	6,543	189
ARRA, Title I, Part A	84.389A	N/A	117,329	-
ARRA, IDEA, Part B Flow Through	84.391	N/A	213,741	8,364
ARRA, IDEA, Part B, PreSchool 3-5	84.393	N/A	5,194	-
ARRA - Education Stabilization	84.394	N/A	4,707	-
Title II Part B, Math / Science	84.366	N/A	156,318	-
Job Training-OJT (Voc Rehab)	84.120	N/A	-	-
ARRA Education Jobs Fund	84.410	N/A	-	-
Title I, Part A	84.010	N/A	-	-
Learn and Serve America	94.004	N/A	-	1,568
TOTAL STATE DEPARTMENT OF EDUCATION			613,554	55,191
<u>Passed Through State Department of Vocational and Technical Education:</u>				
Vocational Education - Carl D. Perkins	84.048	N/A	-	-
<u>Passed Through U.S. Department of Agriculture:</u>				
Child Nutrition - Lunches	10.555	N/A	-	-
Child Nutrition - Breakfasts	10.553	N/A	-	-
Summer Food Program	10.559	N/A	-	4,870
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	4,870
Federal Emergency Management Agency (FEMA)	97.036	N/A	-	-
<u>Passed Through U.S. Department of Human Services:</u>				
Commodity Supplemental Food Program	10.565	N/A	-	-
Total U.S. Department of Human Services			-	-
TOTAL FEDERAL ASSISTANCE			\$ 616,723	\$ 60,061

* Clustered Program

Receipts For Current Year Expenditures	Current Year Expenditures	Balance of Funds to Expend June 30, 2011
\$ 523,776	\$ 523,776	\$ 3,169
53,727	43,695	10,032
<u>146,092</u>	<u>146,092</u>	-
<u>723,595</u>	<u>713,563</u>	<u>13,201</u>
363,660	412,853	31,797
226,975	272,112	134,208
-	-	259
7,362	8,662	-
5,450	5,450	35,178
27,670	31,722	-
28,599	36,118	22,992
20,350	31,322	2,920
-	6,709	4,251
13,382	13,382	4,753
61,873	93,365	29,872
154,707	175,762	38,612
1,667	3,241	1,953
393,340	369,240	28,000
137,750	145,490	-
18,480	18,378	-
228,712	334,768	-
2,474	2,474	-
-	1,972	-
-	-	-
<u>1,692,451</u>	<u>1,963,020</u>	<u>334,795</u>
<u>19,629</u>	<u>19,629</u>	-
400,119	400,119	-
135,951	135,951	-
-	5,553	-
<u>536,070</u>	<u>541,623</u>	-
<u>2,905</u>	<u>2,905</u>	-
<u>36,851</u>	<u>36,851</u>	-
<u>36,851</u>	<u>36,851</u>	-
<u>\$ 3,011,501</u>	<u>\$ 3,277,591</u>	<u>\$ 347,996</u>

BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA

Notes to Schedule of Expenditures of Federal Awards - Regulatory Basis
Year Ended June 30, 2011

Note 1: The accompanying schedule of expenditures of federal awards includes the federal grant expenditures of Byng Public Schools, I-16, Pontotoc County, Oklahoma and is presented on the regulatory basis of accounting prescribed by the Oklahoma State Department of Education. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

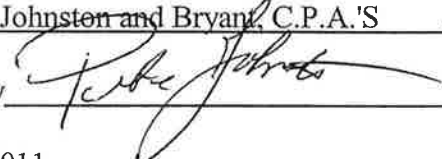
No amounts were passed through to a subrecipient.

SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT

**BYNG PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT I-16
PONTOTOC COUNTY, OKLAHOMA**
Schedule of Accountant's Professional Liability Insurance Affidavit
July 1, 2010 to June 30, 2011

STATE OF OKLAHOMA)
)ss
COUNTY OF PONTOTOC)

The undersigned representative of the auditing firm listed below being of lawful age, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit agreement with the Byng Public Schools for the audit year 2010-2011.

Johnston and Bryant, C.P.A.'S
By 

Subscribed and sworn to before me this 2nd day of September 2011.


Notary Public

My commission expires 3-15-14.
Commission No. 06002835



**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**

**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 Board of Education
Byng Independent School District Number I-16
Byng, Pontotoc County, Oklahoma

We have audited the financial statements of Byng Independent School District No. I-16, Pontotoc County, Oklahoma as of and for the year ended June 30, 2011, and have issued our report thereon dated August 16, 2011. As stated in our report, the financial statements were prepared in conformity with the accounting and financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education which differs from accounting principals generally accepted in the United States of America. In our report, our opinion was qualified because the omission of the General Fixed Assets Account Group results in an incomplete presentation. 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 Byng Independent School 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 nor for the purpose of expressing an opinion on the effectiveness of Byng Independent School 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.

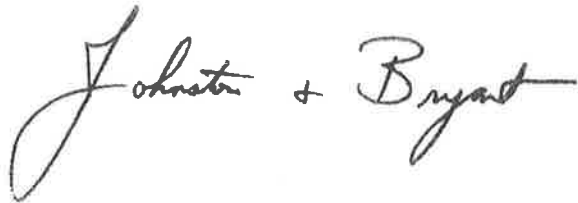
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies 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 Byng Independent School District's financial statements are free of material misstatements, 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, others within the organization, board of education, 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.

August 16, 2011

A handwritten signature in cursive script that reads "Johnston + Bryant". The signature is written in black ink and is positioned to the right of the date.

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Education
Byng Independent School District Number I-16
Byng, Pontotoc County, Oklahoma

Compliance

We have audited the compliance of Byng Independent School District 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. Byng Independent School District's major federal programs are identified in the summary of auditors' 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 Byng Independent School District's management. Our responsibility is to express an opinion on Byng Independent School 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 Byng Independent School 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 Byng Independent School District's compliance with those requirements.

In our opinion, Byng Independent School 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

Management of Byng Independent School 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 Byng Independent School 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 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.

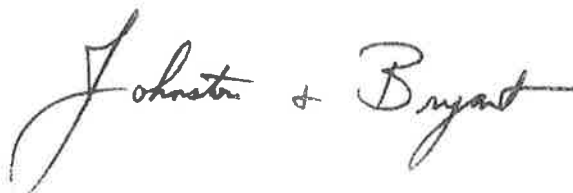
The Board of Education
Byng Independent School District Number I-16
Byng, Pontotoc County, Oklahoma
Page Two

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.

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

This report is intended solely for the information and use of management, others within the organization, board of education, 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.

August 16, 2011

A handwritten signature in cursive script that reads "Johnston + Bryant". The signature is written in black ink and is positioned to the right of the date.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

BYNG INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2011

Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued: Qualified

Internal Control over financial reporting

- Material weaknesses identified? Yes No
- Reportable conditions identified that are not considered to be material weaknesses? Yes None Reported
- Noncompliance material to financial statements noted? Yes No
- Findings relating to the financial statements which are required to be reported in accordance with GAGAS? Yes None Reported

Federal Awards

Internal control over major programs: Unqualified

- Material weaknesses identified? Yes No
- Reportable conditions identified that are not considered to be material weaknesses? Yes No

Type of auditor's 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 Circular A-133? Yes No

Findings and questioned costs for Federal Awards Yes None Reported

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.041	Impact Aid
84.394	ARRA – Education Stabilization
84.410	ARRA-Jobs Education Fund

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

Auditee qualified as low-risk auditee? Yes No

BYNG INDEPENDENT SCHOOL DISTRICT NO. I-16
PONTOTOC COUNTY, OKLAHOMA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Status of Prior Year Findings

None.

Status of Current Year Findings

None.

