FINANCIAL STATEMENTS – REGULATORY BASIS
AND REPORTS OF INDEPENDENT AUDITOR

CLAREMORE INDEPENDENT SCHOOL DISTRICT, NO. I-1,
ROGERS COUNTY, OKLAHOMA

JUNE 30, 2015

Audited by

SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP

BROKEN ARROW, OK

INDEPENDENT SCHOOL DISTRICT NO. I-1, ROGERS COUNTY
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2015

BOARD OF EDUCATION

President

Patrick Gotcher

Vice-President

Richard Mosier

Clerk

Brandon Wofford

Member

Dr. Steve Hardage

Member

Shon Chester

SUPERINTENDENT OF SCHOOLS

J. Michael McClaren

MINUTES CLERK

Laurie Marshall

ASST. TREASURER

Marcella Dennis

www.claremore.k12.ok.us

INDEPENDENT SCHOOL DISTRICT NO. I-1, ROGERS COUNTY
JUNE 30, 2015

TABLE OF CONTENTS

	Page No.
School District Officials	2
Table of Contents	3-4
Independent Auditor's Report	5-6
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements - Regulatory Basis Performed in Accordance with Government Auditing Standards	7-8
Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	9-10
Disposition of Prior Year's Reportable Conditions and Material Instances of Non-Compliance	11
Schedule of Audit Results, Findings and Questioned Costs	12
Combined Financial Statements – Regulatory Basis	
Combined Statement of Assets, Liabilities and Fund Balance – All Fund Types and Account Groups – Regulatory Basis	13
Combined Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – All Governmental Fund Types and Expendable Trusts – Regulatory Basis	14
Combined Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – Budget and Actual – Budgeted Governmental Fund Types – Regulatory Basis	15-17
Notes to Combined Financial Statements - Regulatory Basis	18-36
Combining Financial Statements – Regulatory Basis	
Combining Statement of Assets, Liabilities and Fund Balance – All Special Revenue Funds – Regulatory Basis	37

INDEPENDENT SCHOOL DISTRICT NO. I-1, ROGERS COUNTY
JUNE 30, 2015

	Page No.
Combining Financial Statements – Regulatory Basis – cont'd	
Combining Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – All Special Revenue Funds – Regulatory Basis	38
Combining Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – Budget and Actual – Special Revenue Fund Types – Regulatory Basis	39
Combining Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – All Capital Projects Funds – Regulatory Basis	40
Combining Statement of Assets, Liabilities and Fund Equity – All Fiduciary Fund Types – Regulatory Basis	41
Combining Statement of Changes in Assets and Liabilities – Trust and Agency Funds – Regulatory Basis	42-46
Schedule of Expenditures of Federal Awards – Regulatory Basis	47-48
Schedule of Statutory, Fidelity and Honesty Bonds	49
Schedule of Accountant's Professional Liability Insurance Affidavit	50

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Claremore School District Number I-1
Claremore, Rogers County, Oklahoma

Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of the Claremore School District Number I-1, Claremore, Rogers County, Oklahoma (the District), as of and for the year ended June 30, 2015, 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, as described in Note 1, to meet financial reporting requirements of the State of Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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, 2015, 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, 2015, 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 November 9, 2015 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

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

November 9, 2015

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*

November 9, 2015

The Honorable Board of Education
Claremore School District Number I-1
Claremore, Rogers 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 Claremore School District Number I-1, Claremore, Rogers County, Oklahoma (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 9, 2015, 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 agreements, non-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.

Sanders, Bledsoe & Hewett

Sanders, Bledsoe & Hewett
Certified Public Accountants, 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

November 9, 2015

The Honorable Board of Education
Claremore School District Number I-1
Claremore, Rogers County, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Claremore School District Number I-1, Claremore, Rogers 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, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of 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 defected 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 Accountants, LLP

INDEPENDENT SCHOOL DISTRICT NO. I-1, ROGERS COUNTY
DISPOSITION OF PRIOR YEAR'S REPORTABLE CONDITIONS AND MATERIAL INSTANCES OF NON-COMPLIANCE
JUNE 30, 2015

There were no prior year reportable conditions.

INDEPENDENT SCHOOL DISTRICT NO. I-1, ROGERS COUNTY
SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015

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 audit findings which are required to be reported under OMB Circular A-133 § 510(a).

7. Programs determined to be major are the Special Education Programs (84.027, 84.173) and the Child Nutrition Programs (10.553, 10.555, 10.559), which were clustered in determination.

8. The dollar threshold used to determine between Type A and Type B programs was $300,000.

9. The auditee was determined not to be a low-risk auditee.

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

None

Section 3 – Findings and questioned costs for federal awards:

None

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2015

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES	ACCOUNT GROUP	TOTALS (Memorandum Only)	
ASSETS	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST AND AGENCY FUND	GENERAL LONG-TERM DEBT	2015	2014
Cash	$ 2,378,629	1,730,542	3,673,740	625,000	756,133		9,164,044	8,561,315
Amounts available in debt service						270,970	270,970	58,154
Amounts to be provided for retirement of general long-term debt						28,062,718	28,062,718	30,931,376
Total Assets	2,378,629	1,730,542	3,673,740	625,000	756,133	28,333,688	37,497,732	39,550,845
LIABILITIES AND FUND EQUITY								
Liabilities								
Warrants payable	734,417	38,245					772,662	679,993
Encumbrances	134,407	237,884					372,291	271,393
Unmatured obligations			3,402,770				3,402,770	3,322,467
Funds held for school organizations					723,382		723,382	729,254
Long-term debt:								
Bonds payable						12,775,000	12,775,000	12,240,000
Capital leases						15,558,688	15,558,688	18,749,530
Total liabilities	868,824	276,129	3,402,770	0	723,382	28,333,688	33,604,793	35,992,637
Fund Balance								
Restricted		1,454,413	270,970	625,000	32,751		2,383,134	1,963,799
Unassigned	1,509,805						1,509,805	1,594,409
Total fund balances	1,509,805	1,454,413	270,970	625,000	32,751	0	3,892,939	3,558,208
Total Liabilities and Fund Equity	$ 2,378,629.00	1,730,542	3,673,740	625,000	756,133	28,333,688	37,497,732	39,550,845

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

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH FUND BALANCES
REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2015

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES	TOTALS (Memorandum Only)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST FUNDS	2015	2014
Revenues							
Local sources	$ 5,925,219	2,389,766	3,609,356			11,924,341	10,757,047
Intermediate sources	935,798					935,798	930,300
State sources	15,900,605	318,047				16,218,652	16,386,513
Federal sources	1,999,519	1,069,926				3,069,445	2,667,112
Interest earnings	2,440	1,564				4,004	4,070
Return on assets	238,260	3,104	18,750			260,114	206,797
Total revenues	25,001,841	3,782,407	3,628,106	0	0	32,412,354	30,951,839
Expenditures							
Instruction	16,050,545	707,871			310	16,758,726	16,986,258
Support services	8,868,795	1,303,486				10,172,281	10,536,649
Operation of non-instructional services	224,516	1,599,984				1,824,500	1,856,916
Facilities, acquisition & constr. services				3,750,000		3,750,000	4,500,000
Other outlays:							
Debt service requirements			3,415,290			3,415,290	3,355,265
Private nonprofit schools	3,014					3,014	22,677
Correcting entry/Reimbursements	2,141	1,916				4,057	1,525
Repayments		428				428	1,844
Total expenditures	25,149,011	3,613,685	3,415,290	3,750,000	310	35,928,296	37,261,134
Revenues over (under) expenditures	(147,170)	168,722	212,816	(3,750,000)	(310)	(3,515,942)	(6,309,295)
Other financing sources (uses)							
Adjustments to prior year encumbrances	61,511	38,081				99,592	170,043
Estopped warrants	1,055	26				1,081	2,245
Bond proceeds				3,750,000		3,750,000	4,500,000
Total other financing sources (uses)	62,566	38,107	0	3,750,000	0	3,850,673	4,672,288
Revenue and other sources over (under) expenditures and other uses	(84,604)	206,829	212,816	0	(310)	334,731	(1,637,007)
Cash fund balance, beginning of year	1,594,409	1,247,584	58,154	625,000	33,061	3,558,208	5,195,215
Cash fund balance, end of year	$ 1,509,805	1,454,413	270,970	625,000	32,751	3,892,939	3,558,208

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

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - BUDGETED GENERAL FUND
YEAR ENDED JUNE 30, 2015

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	$ 5,615,450	5,615,450	5,925,219
Intermediate sources	887,800	887,800	935,798
State sources	15,942,434	15,942,434	15,900,605
Federal sources	2,256,612	2,256,612	1,999,519
Interest earnings	2,300	2,300	2,440
Return on assets			238,260
Total revenues	24,704,596	24,704,596	25,001,841
Expenditures			
Instruction	16,250,000	16,250,000	16,050,545
Support services	9,010,000	9,010,000	8,868,795
Operation of non-instructional services	170,000	170,000	224,516
Other outlays:			
Private nonprofit schools	20,000	20,000	3,014
Correcting entry/Reimbursements			2,141
Total expenditures	25,450,000	25,450,000	25,149,011
Revenues over (under) expenditures	(745,404)	(745,404)	(147,170)
Other financing sources (uses)			
Adjustments to prior year encumbrances			61,511
Estopped warrants			1,055
Total other financing sources (uses)	0	0	62,566
Revenue and other sources over (under) expenditures and other uses	(745,404)	(745,404)	(84,604)
Cash fund balance, beginning of year	1,594,409	1,594,409	1,594,409
Cash fund balance, end of year	$ 849,005	849,005	1,509,805

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

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - ALL BUDGETED SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	$ 2,082,357	2,082,357	2,389,766
State sources	367,059	367,059	318,047
Federal sources	1,028,000	1,028,000	1,069,926
Interest earnings			1,564
Return on assets			3,104
Total revenues	3,477,416	3,477,416	3,782,407
Expenditures			
Instruction	725,000	725,000	707,871
Support services	1,400,000	1,400,000	1,303,486
Operation of non-instructional services	1,700,000	1,700,000	1,599,984
Facilities, acquisition & constr. services			
Other uses:			
Correcting entry/Reimbursements			1,916
Repayments			428
Total expenditures	3,825,000	3,825,000	3,613,685
Revenues over (under) expenditures	(347,584)	(347,584)	168,722
Other financing sources (uses)			
Adjustments to prior year encumbrances			38,081
Estopped warrants			26
Total other financing sources (uses)	0	0	38,107
Revenue and other sources over (under) expenditures and other uses	(347,584)	(347,584)	206,829
Cash fund balance, beginning of year	1,247,584	1,247,584	1,247,584
Cash fund balance, end of year	$ 900,000	900,000	1,454,413

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

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2015

	DEBT SERVICE FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	$ 3,357,136	3,357,136	3,609,356
Return on assets			18,750
Total revenues	3,357,136	3,357,136	3,628,106
Expenditures			
Other outlays			
Debt service	3,415,290	3,415,290	3,415,290
Revenues over (under) expenditures	(58,154)	(58,154)	212,816
Cash fund balance, beginning of year	58,154	58,154	58,154
Cash fund balance, end of year	$ 0	0	270,970

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Claremore Public Schools Independent District, No. I-1 (the "District"), have been prepared in conformity with another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education as authorized by Oklahoma Statutes. Accordingly, the accompanying financial statements are not intended to present financial positon and results of operations in conformity with the accounting principles generally accepted in the United States of America. The District's accounting policies are described in the following notes that are an integral part of the District's financial statements.

A. Reporting Entity

The District is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

A. Reporting Entity – cont'd

whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

B. Measurement Focus

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus - cont'd

Special Revenue Funds – Special revenue funds account for revenue sources that are restricted to expenditures for specific purposes. The special revenue funds typically include the building fund, co-op fund and child nutrition fund.

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

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. The District operates their child nutrition program within the general fund.

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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus – 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. The terms "non-expendable" and "expendable" refer to whether or not the District is under an obligation to maintain the trust principal. 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 operation.

Expendable Trust Funds – Expendable trust funds typically include the gifts and endowments fund.

> Gifts and Endowments Fund – The gifts and endowments 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.

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

Account Groups

An account group is not a fund and consists of a self-balancing set of accounts used only to establish accounting control over long-term debt and fixed assets.

General Long-Term Debt Account Group – This account group is established to account for all the 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 (judgements 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus – cont'd

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 or results of operations in conformity with accounting principles generally accepted in the United States. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. Basis of Accounting and Presentation

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

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

- Encumbrances represented 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.
- Inventories of school supplies are recorded as expenditures and not as inventory assets.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded in the General Long-Term Debt Account Group and not in the basic financial statements.
- Compensated absences are recorded as expenditures when paid and not recorded as a liability.
- Fixed assets are recorded in the General Fixed Asset Account Group and not in the basic financial statements. Fixed assets are not depreciated.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

C. Basis of Accounting and Presentation – cont'd

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental type funds are accounted for using the regulatory basis of accounting. Revenues are recognized when they are received rather than earned and expenditures are generally recognized when encumbered/reserved rather than at the time the related fund liability is incurred. These practices differ from accounting principles generally accepted in the United States.

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.

A budget is legally adopted by the Board of Education for all funds (with the exception of the trust and agency funds) that includes revenues and expenditures.

The 2014-15 Estimate of Needs was amended by supplemental appropriations as follows:

Fund	Amount
None	

These amendments, when submitted, require approval by the County Excise Board

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. While the Debt Service Fund is a governmental fund, a comparison of budget to actual schedule is presented in the financial statements, although the board can exercise no control of the revenue sources for this fund (except interest earnings), and no control over its expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Equity

Cash and cash equivalents – The District considers all cash on hand, demand deposit accounts, and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

Investments – The District considers investments of direct obligations of the United States government and agencies, certificates of deposits, savings accounts or savings certificates with maturities of greater than three months. All investments are recorded at cost, which approximates market value.

Inventories – The value of consumable inventories at June 30, 2015, is not material to the combined financial statements.

Fixed Assets and Property, Plant and Equipment – The District has not maintained a record of general fixed assets, and, accordingly, a General Fixed Assets Account Group required by the regulatory basis of accounting prescribed by the Oklahoma State Department of Education is not included in the financial statements. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

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.

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. While the regulatory basis that is used for the Debt Service Fund approximates full accrual accounting, the accruals recorded are reported to meet regulatory requirements, as opposed to the requirements of generally accepted accounting principles.

Compensated Absences – The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. The government-wide financial statements do not include any liability for any rights to receive vacation, sick leave, or other employee benefits.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

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

Funds Held for School Organizations – Funds held for school organizations represent the funds received or collected from students or other cocurricular 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.

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

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

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

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

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, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls 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 is due prior to January 1. The second half is due prior to April 1. If the first payment is not made in a timely manner, 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 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 are collected within such systems.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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 from or additions to the 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 that categorical educational program revenues be accounted for in the 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 passthrough from another government, such as the state. Entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes. The majority of 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-Monetary Transactions – The District receives commodities form the U.S. Department of Agriculture. The value of these commodities has been included in the Schedule of Expenditures of Federal Awards; however, they have not been included in the financial statements as either revenue or expense since they are not reported under the regulatory basis of accounting.

Interest Earnings – Represent compensation for the use of financial sources over a period of time.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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 cocurricular 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.

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 improvements 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).

Other 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, expenditures 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

Inter-fund 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.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. During the 2014-15 fiscal year, the District had no inter-fund transfers.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District's cash deposits and investments at June 30, 2015, were $9,164,044, at financial institutions, and were completely insured or collateralized by federal depository insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District's name.

Investment 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.

Investment Credit risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal policy limiting its investment choices, other than the limitation of state law as follows:

- Direct obligations of the U.S. Government, its agencies and instrument to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

- Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.

2. CASH AND INVESTMENTS – cont'd

- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.

- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.

- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

Concentration of Investment Credit Risk – The District places no limit on the amount it may invest in any one issuer.

3. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2015.

4. GENERAL LONG-TERM DEBT

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

General long-term debt of the District consists of building bonds payable and capital leases. Debt service requirements for bonds and judgments are paid 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, 2015:

	Bonds Payable	Capital Leases	Totals
Balance, July 1, 2014	$ 12,240,000	18,749,530	30,989,530
Additions	3,750,000	0	3,750,000
Retirements	(3,215,000)	(3,190,842)	(6,405,842)
Balance, June 30, 2015	$ 12,775,000	15,558,688	28,333,688

4. GENERAL LONG-TERM DEBT – cont'd

A brief description of the outstanding long-term debt at June 30, 2015, is set forth below:

	Amount Outstanding
General Obligation Bonds:	
Building Bonds, Series 2010, original issue $3,200,000, interest rate of 1.45% to 2.00%, due in annual installments of $800,000, final payment due 7-01-15	$ 800,000
Building Bonds, Series 2011, original issue $1,650,000, interest rate of 1.25% to 1.60%, due in annual installments of $410,000, final payment due 7-01-16	830,000
Building Bonds, Series 2012, original issue $3,850,000, interest rate of 0.70% to 0.80%, due in annual installments of $965,000, final payment due 7-01-17	2,895,000
Building Bonds, Series 2013, original issue $4,500,000, interest rate of 0.55% to 0.95%, due in annual installments of $1,125,000, final payment due 7-01-18	4,500,000
Building Bonds, Series 2014, original issue $3,750,000, interest rate of 1.00% to 1.50%, due in annual installments of $940,000, final payment due 7-01-19	3,750,000
Capital Leases:	
Lease purchase of an Energy Management system, dated 12-13-05, totaling $522,544, due in quarterly principal and interest installments of $15,799, final payment due 12-15-15	31,148
Lease purchase of copiers, dated 4-5-2013 totaling $200,909, 10.00%, due in semi-annual principal and interest payments of $22,100, final payment due 2-15-18	124,343
Lease purchase for building improvements, dated 4-1-08, totaling $24,903,000 @ 4.00%, due in varying annual principal and interest payments, final payment due 8-15-18 (See Note 8)	12,834,393

4. GENERAL LONG-TERM DEBT – cont'd

	Amount Outstanding
Lease purchase for building improvements, dated 12-1-07 totaling $9,900,000 @ 3.75%, due in varying annual principal and interest payments, final payment due 8-15-17 (See Note 8)	$ 2,433,401
Lease purchase of computers, dated 8-16-11 totaling $325,315, 2.83%, due in yearly principal and interest payments of $70,805, final payment due 8-16-16	135,403
Total	$ 28,333,688

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

Year Ending June 30	Principal	Interest	Total
2016	$ 5,233,415	771,925	6,005,340
2017	7,215,533	619,673	7,835,206
2018	7,682,420	445,334	8,127,754
2019	7,262,320	32,419	7,294,739
2020	940,000	14,100	954,100
Total	$ 28,333,688	1,883,451	30,217,139

Interest paid on general long-term debt during the 2014-15 fiscal year totaled $857,348.

5. EMPLOYEE RETIREMENT SYSTEM

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is 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 the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, OK 73152, or by calling 405-521-2387.

Basis of Accounting

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

Funding Policy

The District, the State of Oklahoma, and the participating employee 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. For the 2014-15 fiscal year, the District contributed 9.5% and the State of Oklahoma contributed the remaining amount during the year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, if a member's salary is paid in part by federal or private funds, the contribution on that portion of the salary paid by those funds must be matched by the District at 5.12%.

5. EMPLOYEE RETIREMENT SYSTEM – cont'd

Annual Pension Cost

The District's total contributions for 2015, 2014 and 2013 were $2,160,494, $2,187,689 and $2,150,650, respectively. Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2015. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Please visit www.ok.gov/TRS for all plan information.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employers who participate in a pension plan, such as the System, and who prepare published financial statements on an accrual basis using Generally Accepted Accounting Principles. Since the District does not prepare and present their financial statements on an accrual basis, the net pension amount is not required to be presented on the audited financial statements. The amount of calculated pension liability for the District at June 30, 2014 (the latest information available) was $18,680,321.

6. RISK MANAGEMENT

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

The School participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the School reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to 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.

6. RISK MANAGEMENT – cont'd

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.

7. CONTINGENCIES

Federal Grants

Amounts received or receivable from grant 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 amounts, 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.

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2014-15 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 expended 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.

Subsequent Events

Management has evaluated subsequent events through October 27, 2015, 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.

8. LEASE REVENUE BONDS

Intermediate School Project

On July 1, 2012, the Rogers County Educational Facilities Authority issued $64,195,000 of Educational Facilities Lease Revenue Bonds (Mustang Public Schools Project) Series 2012, to provide funds for the constructing, equipping, repairing and remodeling of school buildings, acquiring furniture, fixtures and equipment and acquiring and improving school sites for the benefit of Mustang School District. Also on July 1, 2012, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Rogers County Educational Facilities Authority. In addition, the District entered into a sublease, as lessee, with the Rogers County Educational Facilities Authority. The sublease calls for eleven (11) annual payments starting September 1, 2013. These payments will be made out of bond funds, pursuant to the issuance of series bonds in the amount of $97,300,000, passed by electors on April 3, 2012. Mustang Public Schools will gain ownership to the capital improvements incrementally as each payment is made. These bonds are shown as general long-term debt on the combined statement assets, liabilities, and fund equity under bonds payable as each series of bonds is sold.

New Classrooms School Project

On August 1, 2009, the Rogers County Educational Facilities Authority issued $38,120,000 of Educational Facilities Lease Revenue Bonds (Mustang Public Schools Project) Series 2009, to provide funds for the constructing, equipping, repairing and remodeling of school buildings, acquiring furniture, fixtures and equipment and acquiring and improving school sites for the benefit of Mustang School District. Also on August 1, 2009, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Rogers County Educational Facilities Authority. In addition, the District entered into a sublease, as lessee, with the Rogers County Educational Facilities Authority. The sublease calls for six (6) annual payments starting September 1, 2010. These payments will be made out of bond funds, pursuant to the issuance of series bonds in the amount of $57,600,000, passed by electors on April 7, 2009. Mustang Public Schools will gain ownership to the capital improvements incrementally as each payment is made. These bonds are shown as general long-term debt on the combined statement assets, liabilities, and fund equity under bonds payable as each series of bonds is sold.

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINING STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCE - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2015

ASSETS	BUILDING FUND	CO-OP FUND	CHILD NUTRITION FUND	TOTALS (Memorandum Only) 2015	2014
Cash	$ 808,067	391,899	530,576	1,730,542	1,500,874
LIABILITIES AND FUND EQUITY					
Liabilities					
Warrants payable	$ 12,870	24,860	515	38,245	155,125
Encumbrances	24,328	3,650	209,906	237,884	98,165
Total liabilities	37,198	28,510	210,421	276,129	253,290
Fund Balance					
Cash fund balances	770,869	363,389	320,155	1,454,413	1,247,584
Total Liabilities and Fund Equity	$ 808,067	391,899	530,576	1,730,542	1,500,874

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN CASH FUND BALANCES - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	BUILDING FUND	CO-OP FUND	CHILD NUTRITION FUND	TOTALS (Memorandum Only) 2015	2014
Revenues					
Local sources	$ 1,067,158	926,152	396,456	2,389,766	2,129,844
State sources	21	210,285	107,741	318,047	369,879
Federal sources			1,069,926	1,069,926	1,024,873
Interest earnings	1,116	230	218	1,564	1,588
Return on assets	1,191		1,913	3,104	3,014
Total revenues	1,069,486	1,136,667	1,576,254	3,782,407	3,529,198
Expenditures					
Instruction	12,823	695,048		707,871	648,716
Support services	832,230	471,256		1,303,486	1,310,894
Operation of non-instructional services			1,599,984	1,599,984	1,685,183
Other uses:					
Correcting entry/Reimbursements	1,191		725	1,916	725
Repayments			428	428	1,844
Total expenditures	846,244	1,166,304	1,601,137	3,613,685	3,647,362
Revenues over (under) expenditures	223,242	(29,637)	(24,883)	168,722	(118,164)
Other financing sources (uses)					
Adjustments to prior year encumbrances	27,336	2,938	7,807	38,081	35,231
Estopped warrants			26	26	98
Total other financing sources (uses)	27,336	2,938	7,833	38,107	35,329
Revenue and other sources over (under) expenditures and other uses	250,578	(26,699)	(17,050)	206,829	(82,835)
Cash fund balance, beginning of year	520,291	390,088	337,205	1,247,584	1,330,419
Cash fund balance, end of year	$ 770,869	363,389	320,155	1,454,413	1,247,584

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
- REGULATORY BASIS - ALL BUDGETED SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	BUILDING FUND			CO-OP FUND			CHILD NUTRITION FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues									
Local sources	$ 729,709	729,709	1,067,158	$ 942,353	942,353	926,152	$ 410,295	410,295	396,456
State sources			21	192,559	192,559	210,285	174,500	174,500	107,741
Federal sources							1,028,000	1,028,000	1,069,926
Interest earnings			1,116			230			218
Return on assets			1,191						1,913
Total revenues	729,709	729,709	1,069,486	1,134,912	1,134,912	1,136,667	1,612,795	1,612,795	1,576,254
Expenditures									
Instruction			12,823	725,000	725,000	695,048			
Support services	900,000	900,000	832,230	500,000	500,000	471,256			
Operation of non-instructional services							1,700,000	1,700,000	1,599,984
Other uses:									
Correcting entry/Reimbursements			1,191						725
Repayments									428
Total expenditures	900,000	900,000	846,244	1,225,000	1,225,000	1,166,304	1,700,000	1,700,000	1,601,137
Revenues over (under) expenditures	(170,291)	(170,291)	223,242	(90,088)	(90,088)	(29,637)	(87,205)	(87,205)	(24,883)
Other financing sources (uses)									
Adjustments to prior year encumbrances			27,336			2,938			7,807
Estopped warrants									26
Total other financing sources (uses)	0	0	27,336	0	0	2,938	0	0	7,833
Revenue and other sources over (under) expenditures and other uses	(170,291)	(170,291)	250,578	(90,088)	(90,088)	(26,699)	(87,205)	(87,205)	(17,050)
Cash fund balance, beginning of year	520,291	520,291	520,291	390,088	390,088	390,088	337,205	337,205	337,205
Cash fund balance, end of year	$ 350,000	350,000	770,869	$ 300,000	300,000	363,389	$ 250,000	250,000	320,155

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN CASH FUND BALANCES - REGULATORY BASIS - ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015

	2013 BUILDING BOND FUND	2014 BUILDING BOND FUND	TOTALS (Memorandum Only) 2015	2014
Revenue				
Local sources	$ 0	0	0	0
Expenditures				
Facilities, acquisition & const. services	625,000	3,125,000	3,750,000	4,500,000
Revenues over (under) expenditures	(625,000)	(3,125,000)	(3,750,000)	(4,500,000)
Other financing sources (uses)				
Bond sales proceeds	0	3,750,000	3,750,000	4,500,000
Revenue and other sources over (under) expenditures and other uses	(625,000)	625,000	0	0
Cash fund balance, beginning of year	625,000	0	625,000	625,000
Cash fund balance, end of year	$ 0	625,000	625,000	625,000

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINING STATEMENT OF ASSETS, LIABILITIES AND
FUND EQUITY - REGULATORY BASIS - ALL FIDUCIARY FUND TYPES
JUNE 30, 2015

	Expendable Trust Fund	Agency Funds	TOTALS	
	Gifts and Endowments Fund	School Activity Funds	2015	2014
ASSETS				
Cash	$ 32,751	723,382	756,133	775,603
LIABILITIES AND FUND EQUITY				
Liabilities				
Warrants outstanding			0	13,288
Funds held for school organizations		723,382	723,382	729,254
Total liabilities	0	723,382	723,382	742,542
Fund Equity:				
Cash fund balances	32,751	0	32,751	33,061
Total Liabilities and Fund Equity	$ 32,751	723,382	756,133	775,603

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Net Transfers	Deletions	Balance June 30, 2015
ASSETS					
Cash	$ 645,735	1,678,568	0	1,684,440	723,382
LIABILITIES					
Funds held for school organizations:					
Claremore High School:					
Art	$ 3,735	4,142		2,774	5,103
Athletics	58,731	133,674		143,819	48,586
Metro Athletic Assn.	1,194	4,865		5,961	98
Beginning Change	2,000	2,000		2,000	2,000
Cheerleaders	7,703	34,330		35,111	6,922
Freshmen Account	279	600	(279)	456	144
Sophomore Account	677	700	(398)	484	495
Junior Account	977	2,608	(300)	2,683	602
Senior Account	14,118	19,649	977	18,799	15,945
Baseball	4,924	33,563		33,314	5,173
Boys Basketball	523	3,260		2,451	1,332
Football	20,126	45,165		46,865	18,426
Boys Golf	1,210	1,195		451	1,954
Softball	2,446	6,584		7,807	1,223
Boys Tennis	688	9,115		8,076	1,727
Cross Country/Track	13,199	33,244		32,896	13,547
Wrestling	1,315	690		951	1,054
Chemistry	961	899		1,072	788
Fellowship of Christian Athletes	70	0		0	70
FFA	18,817	117,887		113,797	22,907
French Club	766	1,075		1,224	617
German Club	379	0		0	379
Spanish Club	239	0		0	239
Miscellaneous Activity	11,966	13,412		10,268	15,110
Recycling	123	0		0	123
Interest Account	10,428	310		4,864	5,874
Library	140	172		0	312
Electronic Entertainment/Media	698	6,626		4,334	2,990
Math Club	3,714	466		0	4,180
Band	7,839	132,315		121,576	18,578

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Net Transfers	Deletions	Balance June 30, 2015
ASSETS					
Vocal Music	2,675	48,886		44,975	6,586
Athletic Trainer	0	1,670		0	1,670
National Honor Society	500	1,610		1,682	428
Engineering/ Robotics	782	0		0	782
Colorguard	1,200	12,607		11,921	1,886
Vending	20,630	4,403		11,198	13,835
SADD	443	50		367	126
Biomedical	248	0		52	196
Science (Mash)	402	0		0	402
Theater	1,909	8,508		5,793	4,624
Student Council	6,645	19,062		20,825	4,882
Forensics	807	60		314	553
School Newspaper	731	0		0	731
Musical Productions	6,868	30,270		16,541	20,597
FCCLA	306	3,556		3,797	65
Girls Basketball	2,056	10,126		9,690	2,492
Counselors	2,418	2,445		2,099	2,764
Graduates	1,550	21,187		21,040	1,697
9th Grade Girls Basketball	205	0		0	205
Jr. High Football/Wrestling	221	0		0	221
Girls Golf	1,992	1,260		933	2,319
Boys Soccer	306	2,747		2,247	806
Teachers Account	928	1,000		808	1,120
Girls Tennis	31	70		0	101
AP Exams	1,799	11,629		11,530	1,898
Young Democrats Club	215	194		228	181
Young Republicans Club	206	0		85	121
Psychology	20	237		247	10
FFA Booster Club	3,807	3,675		1,948	5,534
Gymnastics	302	0		0	302
Grants	7,504	0		156	7,348
Clearing Account	0	1,208		1,208	0
Native America Club	232	0		122	110
Yearbook	809	17,485		12,085	6,209
Credit Recovery	26,072	13,230		9,275	30,027
Academic Team	895	358		382	871

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Net Transfers	Deletions	Balance June 30, 2015
ASSETS					
Girls Soccer	335	3,701		3,300	736
Volleyball	2,975	6,295		6,035	3,235
Dance Team	942	10,254		10,320	876
NJROTC-Students	20,558	18,028		16,988	21,598
NJROTC-Special	1,399	1,093		1,351	1,141
CHS Rocket Team	26	0		0	26
Female Fitness Club	476	866		977	365
Chess Club	200	0		0	200
FUZE (CHS Mentor Program)	2,068	145		1,041	1,172
SPARK	685	300		245	740
Subtotal	315,363	866,761	0	833,838	348,286
Will Rogers Junior High:					
Art	2,125	5,804		4,214	3,715
Athletics	21,183	31,442		33,611	19,014
Cheerleaders	3,588	27,951		28,624	2,915
International Club	285	150		115	320
Miscellaneous Activity	12,498	7,801		7,446	12,853
Library	4,184	10,470		10,768	3,886
Band	2,408	11,760		11,196	2,972
Vocal Music	304	0		0	304
National Honor Society	2,111	2,397		2,007	2,501
Engineering/Robotics	1,677	15,769		14,984	2,462
Science (Mash)	2,022	486		971	1,537
Student Council	4,663	4,953		3,780	5,836
Archery	1,800	5,087		3,915	2,972
Teachers Account	426	540		506	460
Grants	0	6,558		3,558	3,000
Clearing Account	0	91		91	0
Yearbook	6,420	9,652		10,177	5,895
Dance Team	249	4,973		4,241	981
Tech Ed. Student Assn.	9,723	23,364		31,754	1,333
Chess Club	710	75		66	719
Bullying Prevention	1,346	245		733	858
Hands-On Exploration	1,571	700		0	2,271
Subtotal	79,293	170,268	0	172,757	76,804

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Net Transfers	Deletions	Balance June 30, 2015
ASSETS					
Central Upper Elementary:					
Art	0	500		487	13
Charity	129	0		81	48
Miscellaneous Activity	4,744	11,963		14,378	2,329
Library	3,113	17,052		19,554	611
Vending	212	0		192	20
Counselors	460	0		361	99
PTO	1,481	14,849		8,300	8,030
Principal's Account	518	5,000		4,572	946
Teachers' Account	9,237	14,295		10,006	13,526
Grants	457	7,500		4,768	3,189
Clearing Account	0	18		18	0
Subtotal	20,351	71,177	0	62,717	28,811
Roosa Elementary:					
Art	0	500		498	2
Miscellaneous Activity	28,845	75,476		74,781	29,540
Recycling	51,845	8,100		59,945	0
Library	4,515	13,018		15,149	2,384
Outdoor Classroom	927	25		99	853
Vocal Music	0	36		0	36
PTO	14,055	16,343		18,242	12,156
Grants	2,660	14,430		9,183	7,907
Clearing Account	0	216		216	0
Yearbook	110	0		0	110
Chess Club	6,430	0		6,430	0
Running Club	349	2,070		1,950	469
Subtotal	109,736	130,214	0	186,493	53,457
Westside Elementary:					
Art	0	500		500	0
Literacy	342	0		342	0
Charity	30	0		30	0
Miscellaneous Activity	9,700	16,851		12,866	13,685
Library	3,702	16,372		15,597	4,477
Community ED	9	0		9	0

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Net Transfers	Deletions	Balance June 30, 2015
ASSETS					
Vocal Music	619	3,890		3,966	543
Vending	29	0		29	0
Counselors	447	0		22	425
PTO	9,074	18,080		11,771	15,383
Grants	17,283	18,507		30,686	5,104
Clearing Account	0	143		143	0
Yearbook	906	3,396		2,659	1,643
Subtotal	42,141	77,739	0	78,620	41,260
Alternative Learning:					
Miscellaneous Activity	3,069	644		1,366	2,347
Subtotal	3,069	644	0	1,366	2,347
Catalayah:					
Art	0	500		0	500
Miscellaneous Activity	22,291	23,524		27,059	18,756
Library	3,708	13,570		13,954	3,324
Vocal Music	680	3,447		2,295	1,832
Counselors	75	0		0	75
PTO	23,137	24,822		20,458	27,501
Grants	1,506	18,905		15,283	5,128
Clearing Account	0	30		30	0
Running Club	1,535	4,260		2,185	3,610
Subtotal	52,932	89,058	0	81,264	60,726
Administration:					
Miscellaneous Activity	63,506	54,670		41,685	76,491
Proj. CEEP Misc. Activity	1,465	545		1,392	618
National Honor Society	0			(31,883)	31,883
Before & After School	40,291	200,332		240,623	0
Grants	0	2,000		2,000	0
Performing Arts Center	921	15,160		13,568	2,513
Central Office Staff	186	0		0	186
Subtotal	106,369	272,707	0	267,385	111,691
Total Liabilities	$ 729,254	1,678,568	0	1,684,440	723,382

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Beginning Balance 7/01/2014	Revenue Collected	Total Expenditures	Ending Balance 6/30/2015
U.S. Department of Education							
Direct Programs:							
Title VII-Part A, Indian Education	84.060	561	$ 240,539		240,510	240,510	
Title VII-Part A, Indian Education	84.060	799		(87,892)	87,892		
			240,539	(87,892)	328,402	240,510	0
Passed Through State Department of Education:							
Title I-Part A, Improving Basic Programs	84.010	511	544,296		477,957	481,647	(3,690)
Title I-Part A, Neglected	84.013	518	7,610		7,610	7,610	
Title II-Part A, Teacher & Principal Training	84.367	541	75,103		49,791	60,512	(10,721)
Title II-Part A 2013-14 - Note 1	84.367	799		(13,550)	13,550		
Title III-Part A English Language Acquisition	84.365	572	17,995		12,167	14,823	(2,656)
* Special Education Programs-							
Special Education, Flowthrough, P.L. 105-17	84.027	621	927,260		798,981	801,815	(2,834)
Special Education, Flowthrough 2013-14 - Note 1	84.027	799		(42,512)	42,512		
Special Education, Early Intervening 2013-14 - Note 1	84.027	799		(5,894)	5,894		
Special Education, Indiv. w/ Disabilities	84.027	625	12,803		553	553	
Special Education, High Needs Tier 2	84.027	627	80,719		53,963	53,963	
Special Education, High Needs Tier 2 2013-14 - Note 1	84.027	799		(63,510)	63,510		
Special Education, Preschool, Ages 3-5, P.L. 105-17	84.173	641	35,532		10,540	10,540	
Subtotal			1,701,318	(125,466)	1,537,028	1,431,463	(19,901)
Passed Through State Department of Career and Technology Education:							
Carl Perkins Grant	84.048	421	38,655		2,374	37,796	(35,422)
Carl Perkins Grant 2013-14 - Note 1	84.048	799		(37,246)	37,246		-
Carl Perkins High Schools That Work	84.048	426	12,000		2,780	7,970	(5,190)
Carl Perkins HSTW 2013-14 - Note 1	84.048	799		(4,650)	4,650		-
Subtotal			$ 50,655	(41,896)	47,050	45,766	(40,612)

INDEPENDENT SCHOOL DISTRICT NO. I-01, ROGERS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Beginning Balance 7/01/2014	Revenue Collected	Total Expenditures	Ending Balance 6/30/2015
U.S. Department of Agriculture:							
Passed Through State Department of Education:							
*Child Nutrition Cluster:							
Non-Cash Assistance (Commodities):							
National School Lunch Program - Note 2	10.555	N/A			123,293	123,293	
Non-Cash Assistance Subtotal					123,293	123,293	
Cash Assistance:							
National School Lunch Program	10.555	763			794,463	794,463	
School Breakfast Program	10.553	764			256,666	256,666	
Summer Food Program	10.559	766			18,796	26,757	(7,961)
Cash Assistance Subtotal				0	1,069,925	1,077,886	(7,961)
Total For Program (Cluster)				0	1,193,218	1,201,179	(7,961)
Other Federal Assistance:							
Johnson O'Malley	15.130	563	44,460		10,708	39,001	(28,293)
Johnson O'Malley 2013-14 - Note 1	15.130	799		(16,172)	16,172		
ROTC	N/A	773	59,575		44,481	59,575	(15,094)
ROTC 2013-14 - Note 1	N/A	799		(14,693)	14,693		
Job Training - OJT	84.126	456	274		274	274	
Flood Control	12.112	774	712		712	712	
Subtotal			105,021	(30,865)	87,040	99,562	(43,387)
Total Federal Assistance			$ 1,856,994	(286,119)	3,192,738	3,018,480	(111,861)

* Major federal programs

Note 1 - Project number 799 represents 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 $123,293 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 I-01, ROGERS COUNTY
SCHEDULE OF SURETY BONDS
FOR THE YEAR ENDED JUNE 30, 2015

BONDING COMPANY	POSITION COVERED	BOND NUMBER	COVERAGE AMOUNT	EFFECTIVE DATES
Travelers Casualty & Surety Co.	Treasurer	105684172	$100,000	7/1/14-7/1/15
	Superintendent	105684179	$100,000	9/18/14-9/17/15
	Position Bonds as follows:	105684172		9/18/14-9/17/15
		Number		
	Assistant Treasurer	1	$25,000	9/18/14-9/17/15
	Encumbrance Clerk	1	$25,000	9/18/14-9/17/15
	Minutes Clerk	1	$1,000	9/18/14-9/17/15
	Payroll Clerk	1	$100,000	9/18/14-9/17/15
	Activity Fund Custodian	2	$100,000	9/18/14-9/17/15
	Activity Fund Custodian	1	$20,000	9/18/14-9/17/15
	Activity Fund Custodian	4	$10,000	9/18/14-9/17/15
	Activity Fund Custodian	2	$1,000	9/18/14-9/17/15
	Warehouseman Child Nutr.	1	$10,000	9/18/14-9/17/15

INDEPENDENT SCHOOL DISTRICT NO. I-1, ROGERS COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE
AFFIDAVIT
JULY 1, 2014 TO JUNE 30, 2015

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 Claremore Public Schools for the audit year 2014-15.

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

By _____
Authorized Agent

Subscribed and sworn to before me
This 9th day of November, 2015

EARLENE HART NOTARY PUBLIC IN AND FOR STATE OF OKLAHOMA TULSA COUNTY

Earlene Hart
Notary Public (or Clerk or Judge)

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

SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Stephen H. Sanders, CPA
Eric M. Bledsoe, CPA
Jeffrey D. Hewett, CPA

P.O. BOX 1310 • 101 N. MAIN ST.• BROKEN ARROW, OK 74013 • (918) 449-9991 • (800) 522-3831 • FAX (918) 449-9779

November 9, 2015

Mr. J. Michael McClaren, Supt.
Claremore Public Schools
102 West 10th Street
Claremore, Oklahoma 74017-5835

Dear Mr. McClaren:

Listed below are the observations and recommendations from the final audit work we performed for you. Please review them very carefully, along with the review copy of your audit report. If you have questions or desire additional information, please call us so that any discrepancies may be resolved.

The following section contains the observations relayed to management that are control deficiencies, which we feel need to be communicated to you so appropriate action may be taken to correct these deficiencies. These items are not included in your audit report, as they are considered immaterial in nature.

Equipment Inventory

Inventory records are currently maintained on a yearly basis, by classroom teachers at each site. At one time, the District had a centralized fixed assets program, but this system was discontinued a few years ago. We recommend that a perpetual system be established for equipment. The recommended information to be maintained for each item is a description of the item, the date of purchase, the purchase order number, the cost of the item (if known, actual cost should be used, if not known, an estimate of present value should be made), the serial number and/or model number, and the location of the item. New purchases should be added to the records on the date the items are received. When items are sold or scrapped, the disposition of the item should be recorded in the records of the fiscal year in which it was disposed, on the date of disposition. We further recommend that a master list of equipment inventory be kept at the office of the insurance company that provides current coverage for buildings and contents and transportation equipment. Because the cost of a fixed assets system is excessive, we recommend that such a system be purchased as soon as excess funds are available.

Activity Funds

We noted during our testing of activity fund receipts that some sponsors were holding funds (both cash and checks) collected from students for several days before being turned in to the site activity fund custodians for deposit. This is an ongoing issue with teachers and activity fund sponsors at many large school districts. We recommend that the importance of turning in student collections in a timely manner be stressed to these employees, and that turning in these funds in to the office protects the funds from potential theft, and protects the sponsor from the perception of wrong-doing. It was noted that the site activity custodians receipted and deposited all the funds they collected in a timely manner.

We take this opportunity to thank you and your professional staff for the outstanding cooperation and invaluable assistance you gave us during our recent onsite audit work.

Sincerely,

Eric M. Bledsoe

For

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP