

**EAGLETOWN PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-13  
McCURTAIN COUNTY, OKLAHOMA**

Financial Statements  
June 30, 2011

With Independent Auditors' Report Thereon

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**McCURTAIN COUNTY, OKLAHOMA**  
June 30, 2011

Table of Contents

	<u>Page</u>
School District Officials	1
Report of Independent Auditors	2-3
Combined Financial Statements	
Combined Statement of Assets, Liabilities and Fund Equity - Regulatory Basis - All Fund Types and Account Groups	4
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances - Regulatory Basis - All Governmental Fund Types and Expendable Trust Funds	5
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances - Regulatory Basis - Budget and Actual - General Fund	6
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances - Regulatory Basis - Budget and Actual - Special Revenue Fund	7
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances - Regulatory Basis - Budget and Actual - Debt Service Fund	8
Notes to Combined Financial Statements	9-20
Combining Financial Statements	
Combining Statement of Assets, Liabilities and Cash Fund Balances - Regulatory Basis - All Special Revenues Funds	21
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances - Regulatory Basis - All Special Revenue Funds	22

**EAGLETOWN PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-13  
McCURTAIN COUNTY, OKLAHOMA  
June 30, 2011**

Table of Contents

	<u>Page</u>
Combining Financial Statements	
Combining Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances – Regulatory Basis – Budget and Actual – Special Revenue Fund	23
Combining Statement of Assets, Liabilities and Fund Equity - Fiduciary Funds - Regulatory Basis	24
Combining Statement of Changes in Assets and Liabilities – Regulatory Basis - All Agency Funds	25
School Activity Funds – Detail	26
Supporting Schedules	
Schedule of Expenditures of Federal Awards	27
Schedule of Accountant's Professional Liability Insurance Affidavit	28
Compliance and Internal Control	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	29-30
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	31-32
Schedule of Findings and Questioned Costs	33-34

**EAGLETOWN PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-13  
McCURTAIN COUNTY, OKLAHOMA  
School District Officials  
Year Ended June 30, 2011**

Board of Education

President	Rodney Short
Vice-President	Sandy Hadley
Clerk	Tony Lawler
Member	Denise Angel
Member	Jeanette Simpson

School District Treasurer/Minute Clerk

Carlene Reavis

Encumbrance Clerk

Sonya Lawler

Superintendent of Schools

Mr. Kent Hendon

# **JOHNSTON & BRYANT**

Certified Public Accountants

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

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

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

## INDEPENDENT AUDITOR'S REPORT

The Board of Education  
Eagletown Independent School District I-13  
Eagletown, McCurtain County, Oklahoma

We have audited the accompanying fund type and account group financial statements of Eagletown Independent School District No. I-13, McCurtain County, Oklahoma, as listed in the table of contents as combined financial statements, as of and for the year ended June 30, 2011. These financial statements are the responsibility of the Eagletown School District, No. I-13, McCurtain County, Oklahoma. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, these financial statements were prepared in conformity with the accounting and financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education which differs from accounting principles generally accepted in the United States of America. The effect on the financial statements resulting from the use of this regulatory basis of accounting and presentation as compared to accounting principles generally accepted in the United States of America cannot be reasonably determined, but is considered material.

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

Eagletown Independent School District I-13  
McCurtain County, Oklahoma

In our opinion, because of the effects of the matters discussed in the third paragraph, the financial statements referred to above do not present fairly in all material respects, in conformity with accounting principles generally accepted in the United States of America, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Eagletown Independent School District, No. I-13, McCurtain County, Oklahoma, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended.

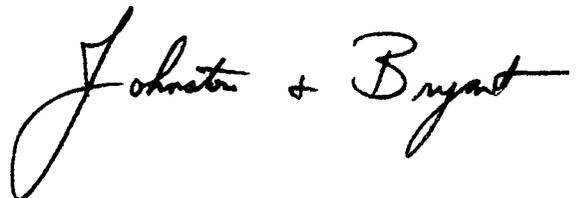
In our opinion, except for the omission of the General Fixed Asset Account Group which results in an incomplete presentation as explained in the fourth paragraph, the financial statements referred to above do present fairly, in all material respects, the assets, the liabilities, and equity arising from regulatory basis transactions of each fund type and account group of Eagletown School District No. I-13, McCurtain County, Oklahoma, as of June 30, 2011, and the revenues collected, expenditures paid/expenses, and cash flows of each fund type, where applicable, for the year then ended on the regulatory basis of accounting described in Note 1.

In accordance with Governmental Auditing Standards, we have also issued our report dated August 24, 2011, on our consideration of the Eagletown Independent School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

August 24, 2011

(3)

A handwritten signature in black ink, reading "Johnston & Bryant". The signature is written in a cursive, flowing style with a large initial 'J' and 'B'.

COMBINED FINANCIAL STATEMENTS

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**McCURTAIN COUNTY, OKLAHOMA**  
 Combined Statement of Assets, Liabilities and Fund Balance - Regulatory Basis  
 All Fund Types and Account Group  
 June 30, 2011

	Governmental Fund Types		
	General	Special Revenues	Debt Services
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 785,085	\$ 50,176	\$ 31,855
Amounts Available In Debt Services Fund	-	-	-
Amounts to be Provided for Retirement of General Long-Term Debt	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 785,083</u></b>	<b><u>\$ 50,176</u></b>	<b><u>\$ 31,855</u></b>
<b><u>LIABILITIES AND FUND BALANCE:</u></b>			
<b><u>LIABILITIES:</u></b>			
Warrants Payable	\$ 96,697	\$ 7,817	\$ -
Encumbrances	-	-	-
Long-Term Debt - Bonds Payable	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>96,697</u></b>	<b><u>7,817</u></b>	<b><u>-</u></b>
<b><u>FUND BALANCE:</u></b>			
Designated	-	-	31,855
Fund Balance - Undesignated	688,386	42,359	-
<b>TOTAL FUND BALANCE</b>	<b><u>688,386</u></b>	<b><u>42,359</u></b>	<b><u>31,855</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 785,083</u></b>	<b><u>\$ 50,176</u></b>	<b><u>\$ 31,855</u></b>

The accompanying notes are an integral part of this statement.

<u>Governmental Fund-Type Capital Projects</u>	<u>Fiduciary Fund Types Trust and Agency</u>	<u>Account Group Long-Term Debt</u>	<u>Totals (Memorandum Only)</u>
\$ -	\$ 12,318	\$ -	\$ 879,432
-	-	31,855	31,855
-	-	118,145	118,145
<u>\$ -</u>	<u>\$ 12,318</u>	<u>\$ 150,000</u>	<u>\$ 1,029,432</u>
\$ -	\$ -	\$ -	\$ 104,514
-	-	-	-
-	-	150,000	150,000
-	-	150,000	254,514
-	-	-	31,855
-	12,318	-	743,063
-	12,318	-	774,918
<u>\$ -</u>	<u>\$ 12,318</u>	<u>\$ 150,000</u>	<u>\$ 1,029,432</u>

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**McCURTAIN COUNTY, OKLAHOMA**  
 Combined Statement of Revenues Collected, Expenditures Paid and  
 Changes in Fund Balances - Regulatory Basis  
 All Governmental Fund Types  
 Year Ended June 30, 2011

	Governmental Type Funds			
	General	Special Revenue	Debt Services	Capital Project
<b><u>REVENUES COLLECTED:</u></b>				
District Sources	\$ 201,328	\$ 35,546	\$ 63,767	\$ -
Intermediate Sources	26,397	-	-	-
State Sources	1,529,818	2,096	-	-
Federal Sources	406,898	99,535	-	-
TOTAL REVENUE COLLECTED	<u>2,164,441</u>	<u>137,177</u>	<u>63,767</u>	<u>-</u>
<b><u>EXPENDITURES PAID:</u></b>				
Instruction	1,277,580	-	-	-
Support Services	666,604	28,687	-	-
Non-Instruction Services	95,911	97,986	-	-
Debt Service	-	-	82,312	-
Capital Outlay	12,380	11,061	-	-
Other Outlays	3,361	8,079	-	-
TOTAL EXPENDITURES PAID	<u>2,055,836</u>	<u>145,813</u>	<u>82,312</u>	<u>-</u>
Excess of Revenues Collected Over (Under) Expenditures Paid	108,605	(8,636)	(18,545)	-
Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Of Revenues Collected Over (Under) Expenditures Paid and Other Financing Sources (Used)	108,605	(8,636)	(18,545)	-
FUND BALANCE, BEGINNING OF YEAR	<u>579,781</u>	<u>50,995</u>	<u>50,400</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 688,386</u>	<u>\$ 42,359</u>	<u>\$ 31,855</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Total  
(Memorandum  
Only)

---

\$ 300,641  
26,397  
1,531,914  
506,433

---

2,365,385

---

1,277,580  
695,291  
193,897  
82,312  
23,441  
11,440

---

2,283,961

---

81,424

-

---

81,424

681,176

---

\$ 762,600

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**McCURTAIN COUNTY, OKLAHOMA**  
 Combined Statement of Revenues Collected, Expenditures Paid  
 And Changes in Fund Balance - Budget and Actual - Regulatory Basis  
 Budgeted Governmental Fund Types – General Fund  
 Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>REVENUE COLLECTED:</u></b>				
District Sources	\$ 157,464	\$ 157,464	\$ 201,328	\$ 43,864
Intermediate Sources	23,644	23,644	26,397	2,753
State Sources	1,468,875	1,468,875	1,529,818	60,943
Federal Sources	227,692	380,799	406,898	26,099
<b>TOTAL REVENUE COLLECTED</b>	<b>1,877,675</b>	<b>2,030,782</b>	<b>2,164,441</b>	<b>133,659</b>
<b><u>EXPENDITURES PAID:</u></b>				
Instruction	1,679,076	1,832,183	1,277,580	554,603
Support Services	666,675	666,675	666,604	71
Non-Instruction Services	95,925	95,925	95,911	14
Capital Outlay	12,400	12,400	12,380	20
Other Outlays	3,380	3,380	3,361	19
<b>TOTAL EXPENDITURES PAID</b>	<b>2,457,456</b>	<b>2,610,563</b>	<b>2,055,836</b>	<b>554,727</b>
Excess of Revenue Over (Under) Expenditures Paid	(579,781)	(579,781)	108,605	688,386
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating Transfers In	-	-	-	-
Excess of Revenue Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(579,781)	(579,781)	108,605	688,386
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>579,781</b>	<b>579,781</b>	<b>579,781</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 688,386</b>	<b>688,386</b>

The accompanying notes are an integral part of this statement.

**EAGLETOWN PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-13  
McCURTAIN COUNTY, OKLAHOMA**

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

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUE COLLECTED:</u></b>			
District Sources	\$ 27,092	\$ 35,546	\$ 8,454
Intermediate Sources	-	-	-
State Sources	1,608	2,096	488
Federal Sources	84,260	99,535	15,275
<b>TOTAL REVENUE COLLECTED</b>	<u>112,960</u>	<u>137,177</u>	<u>24,217</u>
<b><u>EXPENDITURES PAID:</u></b>			
Instruction	-	-	-
Support Services	42,284	28,687	13,597
Non-Instruction Services	101,671	97,986	3,685
Capital Outlays	11,500	11,061	439
Other Outlays	8,500	8,079	421
<b>TOTAL EXPENDITURES PAID</b>	<u>163,955</u>	<u>145,813</u>	<u>18,142</u>
Excess of Revenue Collected Over (Under) Expenditures Paid	(50,995)	(8,636)	42,359
<b><u>OTHER FINANCING SOURCES (USES):</u></b>			
Operating Transfers In	-	-	-
Excess of Revenue Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(50,995)	(8,636)	42,359
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>50,995</u>	<u>50,995</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 42,359</u>	<u>\$ 42,359</u>

The accompanying notes are an integral part of this statement.

**EAGLETOWN PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-13  
McCURTAIN COUNTY, OKLAHOMA**

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUE COLLECTED:</u></b>			
District Sources	\$ 61,709	\$ 63,767	\$ 2,058
State Sources	-	-	-
Federal Sources	-	-	-
TOTAL REVENUE COLLECTED	<u>61,709</u>	<u>63,767</u>	<u>2,058</u>
<b><u>EXPENDITURES PAID:</u></b>			
Instruction	-	-	-
Support Services	-	-	-
Non-Instruction Services	-	-	-
Debt Service	82,312	82,312	-
Other Outlays	-	-	-
TOTAL EXPENDITURES PAID	<u>82,312</u>	<u>82,312</u>	<u>-</u>
Excess of Revenue Collected Over (Under) Expenditures Paid	(20,603)	(18,545)	2,058
<b><u>OTHER FINANCING SOURCES (USES):</u></b>			
Operating Transfers In	-	-	-
Excess of Revenue Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(20,603)	(18,545)	2,058
FUND BALANCE, BEGINNING OF YEAR	<u>50,400</u>	<u>50,400</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 29,797</u>	<u>\$ 31,855</u>	<u>\$ 2,058</u>

The accompanying notes are an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS**

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**McCURTAIN COUNTY, OKLAHOMA**  
Notes to Financial Statements  
June 30, 2011

**Note 1. Summary of Significant Accounting Policies**

The financial statements of the Eagletown Public Schools Independent District No. I-13 (the "District") have been prepared in conformity with another comprehensive basis of accounting as prescribed by Oklahoma Department of Education. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

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

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

In evaluating how to define the district, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basis -- but not the only -- criterion for including a potential component unit in the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involved considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

**EAGLETOWN PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-13  
McCURTAIN COUNTY, OKLAHOMA**

Notes to Financial Statements  
June 30, 2011

**Note 1. Summary of Significant Accounting Policies (continued)**

**B. Fund Accounting**

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

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

Funds are classified into three categories: Governmental, Proprietary and Fiduciary. Each category, in turn, is divided into separate "fund types."

**Governmental Fund Types**

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

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

**Special Revenue Fund** - The special revenue fund of the District consists of the Building Fund and the Child Nutrition Fund.

Building Fund - The Building Fund consists of monies derived from property taxes levied for the purpose of constructing, remodeling, or repairing buildings and for purchasing furniture and equipment.

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

**EAGLETOWN PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-13  
McCURTAIN COUNTY, OKLAHOMA**

Notes to Financial Statements  
June 30, 2011

**Note 1. Summary of Significant Accounting Policies (continued)**

**B. Fund Accounting (continued)**

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

**Proprietary Fund Types**

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (Enterprise Funds) or to other departments or agencies primarily within the District (internal service fund).

**Fiduciary Fund Types**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the District is under an obligation to maintain the trust principle. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

Agency Fund - The Agency Fund is the Schools Athletics and Activities Fund which is used to account for monies collected principally through fundraising efforts and athletic events of the 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**

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

**EAGLETOWN PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-13  
McCURTAIN COUNTY, OKLAHOMA**

Notes to Financial Statements  
June 30, 2011

**Note 1. Summary of Significant Accounting Policies (continued)**

**B. Fund Accounting (continued)**

**General Long-Term Debt Account Group** - This account group was established to account for all long-term debt of the District, which is offset by the amount available in the debt-service fund and the amount to be provided in future years to complete retirement of the debt principal.

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

**Memorandum Only - Total Column**

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

**C. Basis of Accounting**

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

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

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

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

**EAGLETOWN PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-13  
McCURTAIN COUNTY, OKLAHOMA**  
Notes to Financial Statements  
Year Ended June 30, 2011

**Note 1. Summary of Significant Accounting Policies (continued)**

**D. Encumbrance Accounting**

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

General Fund	\$	-
Special Revenue Fund - Food Service		-
		<hr style="border-top: 1px solid black;"/>
Total	\$	<hr style="border-top: 3px double black;"/>

**E. 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. In February, 2009, voters of the School District approved making all support levies permanent.

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

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting -- under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund -- is utilized in all governmental funds of the District.

**F. Assets, Liabilities and Fund Equity**

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

**Investments** - Investments consist of the purchase of Certificate of Deposits. All investments are recorded at cost.

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

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

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**McCURTAIN COUNTY, OKLAHOMA**  
Notes to Financial Statements  
June 30, 2011

**Note 1. Summary of Significant Accounting Policies (continued)**

**F. Assets, Liabilities, and Fund Equity (continued)**

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

**Long-Term Debt** - Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year.

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

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

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

**G. Revenue, Expenses, and Expenditures**

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

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

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

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

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**McCURTAIN COUNTY, OKLAHOMA**  
Notes to Financial Statements  
June 30, 2011

**Note 1. Summary of Significant Accounting Policies (continued)**

**G. Revenue, Expenses, and Expenditures (continued)**

The District receives revenues from the state to administer certain categorical educational programs. State Board of Education rules require that revenue ear-marked 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 revenue be accounted for in the general fund.

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

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

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

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

**Capital Outlays** - This expenditure category consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.

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

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

**EAGLETOWN PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-13  
McCURTAIN COUNTY, OKLAHOMA**  
Notes to Financial Statements  
June 30, 2011

**Note 1. Summary of Significant Accounting Policies (continued)**

**H. Statement of Cash Flows**

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

**I. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during that reporting period. Actual results could differ from those estimates.

**Note 2. Property Taxes**

The District's ad valorem property tax is levied each October 1 on the assessed value listed for all real, business personal and public service property located in the District. The assessed value of the certified roll, upon which the levy for the 2011 fiscal year was based, was \$4,875,754.

Ad valorem tax rates and collection for the year ended June 30, 2011 are as follows:

	Current Mills Levied	Current Year Collections	Percent Collected of Taxes Levied
General Fund	35.53	\$ 165,587	95.60%
Building Fund	5.08	23,675	95.60%
Sinking Fund	13.29	61,938	95.60%
<b>Totals</b>	<u>53.90</u>	<u>\$ 251,200</u>	

Collection of prior year ad valorem taxes are as follows:

General Fund	\$ 4,305
Building Fund	615
Sinking Fund	1,829
<b>Total</b>	<u>\$ 6,749</u>

In February, 2007, voters of the school district approved making all support levies permanent.

**EAGLETOWN PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-13  
McCURTAIN COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2011

**Note 3. Cash and Investments**

The District's investment policies are governed by state statute. Permissible investments include direct obligations of the United States Government and Agencies, certificate of deposits and savings accounts of bank and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by Federal Deposit Insurance.

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

The treasurer shall invest the following funds in direct obligation of the United States Government; in certificates of deposit of banks secured by acceptable collateral, or in savings accounts or savings certificates of savings and loan associations. All deposits shall be insured by the Federal Deposit Insurance Corporation (FDIC):

1. Reserve funds from the general fund.
2. Funds from the building fund.
3. Reserve funds in the sinking fund.
4. To determine that school funds are properly secured, the treasurer shall, on March 31, June 30, September 30, and December 31, obtain from each bank where funds are deposited a listing of collateral pledged, setting forth the par value and market value of such collateral.

Said funds are to be invested monthly in accordance with all applicable state and school laws.

Deposits and Investments – The District's cash deposits and investments at June 30, 2011, were completely insured or collateralized by federal deposit insurance, direct obligations of the United States Government, or securities held by the District or by its agents in the District's name.

Therefore, the District's cash investments at June 30, 2011, were not exposed to Custodial Credit Risk, Investment Credit Risk, Investment Interest Rate Risk, or Concentration of Investment Credit Risk.

**EAGLETOWN PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-13  
McCURTAIN COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2011

**Note 3. Cash and Investments (continued)**

The District's deposits and investments are in two financial institutions as follows:

	<u>Bank Balance</u>	<u>Pledged Collateral</u>	<u>FDIC Insurance</u>
First National Bank – Idabel, OK	\$ 867,114	\$ 1,000,000	\$ 250,000
First Bank and Trust Broken Bow, OK	<u>12,318</u>	<u>-</u>	
Total Deposits	<u>\$ 879,432</u>	<u>\$ 1,000,000</u>	

**Note 4. General Long-Term Debt**

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without the approval by the District voters. Bond issues have been approved the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 10 years from the date of issue. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

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

<u>Obligation</u>	<u>Balance Outstanding 7/1/2010</u>	<u>Issued (Retired) During Year</u>	<u>Balance Outstanding 6/30/2011</u>
2008 Go Bonds	<u>\$ 225,000</u>	<u>\$ (75,000)</u>	<u>\$ 150,000</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 75,000	\$ 4,875	\$ 79,875
2013	<u>75,000</u>	<u>2,438</u>	<u>77,438</u>
	<u>\$ 150,000</u>	<u>\$ 7,313</u>	<u>\$ 157,313</u>

**EAGLETOWN PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-13  
McCURTAIN COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2011

**Note 5. Employee Retirement System**

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

Funding Policy - The contribution rates for the District and its employees are established by and may be amended by Oklahoma statute. The rates are applied to the employee's earning plus employer-paid fringe benefits. The District is required by statute to contribute 9.5% of applicable compensation for the year ended June 30, 2011. The District is required to match the retirement paid on salaries paid with federal funds.

**Note 6. Contingencies**

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

**Note 7. Subsequent Events**

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

**Note 8. Risk Management**

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

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**McCURTAIN COUNTY, OKLAHOMA**  
Notes to Financial Statements  
June 30, 2011

**Note 9.      Surety Bonds**

The treasurer is bonded by Western Surety Company for the sum of \$100,000.

The minute clerk/encumbrances clerk is bonded by Western Surety Company for the sum of \$2,000.

The Activity Fund Custodian is bonded by Western Surety Company for the sum of \$1,000.

The Lunch Custodian is bonded by Western Surety Company for the sum of \$2,000.

The superintendent is bonded by Western Surety Company for the sum of \$100,000.

**COMBINING FINANCIAL STATEMENTS**

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**McCURTAIN COUNTY, OKLAHOMA**  
Combining Statement of Assets, Liabilities and Fund Balances – Regulatory Basis  
All Special Revenue Funds  
June 30, 2011

	<u>Building Fund</u>	<u>Child Nutrition Program Fund</u>	<u>Total (Memorandum Only)</u>
<b><u>ASSETS:</u></b>			
Cash and Cash Equivalents	\$ 30,655	\$ 19,521	\$ 50,176
TOTAL ASSETS	<u>\$ 30,655</u>	<u>\$ 19,521</u>	<u>\$ 50,176</u>
<b><u>LIABILITIES:</u></b>			
Outstanding Warrants	\$ 7,810	\$ 7	\$ 7,817
Encumbrances	-	-	-
TOTAL LIABILITIES	<u>7,810</u>	<u>7</u>	<u>7,817</u>
<b><u>FUND EQUITY:</u></b>			
Fund Balances	<u>22,845</u>	<u>19,514</u>	<u>42,359</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 30,655</u>	<u>\$ 19,521</u>	<u>\$ 50,176</u>

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**McCURTAIN COUNTY, OKLAHOMA**  
Combining Statement of Revenues Collected, Expenditures Paid  
And Changes in Fund Balances – Regulatory Basis - All Special Revenue Funds  
Year Ended June 30, 2011

	<u>Building Fund</u>	<u>Child Nutrition Program Fund</u>	<u>Total (Memorandum Only)</u>
<b><u>REVENUES COLLECTED:</u></b>			
District Sources of Revenue	\$ 31,303	\$ 4,243	\$ 35,546
Intermediate Sources of Revenue	-	-	-
State Sources of Revenue	-	2,096	2,096
Federal Sources of Revenue	-	99,535	99,535
TOTAL REVENUE COLLECTED	<u>31,303</u>	<u>105,874</u>	<u>137,177</u>
<b><u>EXPENDITURES:</u></b>			
Instruction	-	-	-
Support Services	28,687	-	28,687
Non-Instruction Services	-	97,986	97,986
Capital Outlay	11,061	-	11,061
Other Outlays	-	8,079	8,079
TOTAL EXPENDITURES PAID	<u>39,748</u>	<u>106,065</u>	<u>145,813</u>
Excess of Revenues Over (Under) Expenditures Paid	(8,445)	(191)	(8,636)
<b><u>OTHER RESOURCES AND USES:</u></b>			
Operating Transfers In	-	-	-
Excess of Revenues and Other Resources Over (Under) Expenditures and Other Uses	(8,445)	(191)	(8,636)
FUND BALANCE, BEGINNING OF YEAR	<u>31,290</u>	<u>19,705</u>	<u>50,995</u>
FUND BALANCE, END OF YEAR	<u>\$ 22,845</u>	<u>\$ 19,514</u>	<u>\$ 42,359</u>

**EAGLETOWN PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-13  
McCURTAIN COUNTY, OKLAHOMA**

Combining Statement of Revenues Collected, Expenditures Paid  
And Changes in Fund Balances – Budget and Actual (Regulatory Basis)

Special Revenue Fund Types  
Year Ended June 30, 2011

	Building Fund		
	Original Budget	Final Budget	Actual
<u>Revenues Collected:</u>			
District Sources of Revenue	\$ 22,494	\$ 22,494	\$ 31,303
State Sources of Revenue	-	-	-
Federal Sources of Revenue	-	-	-
<b>TOTAL REVENUE COLLECTED</b>	<u>22,494</u>	<u>22,494</u>	<u>31,303</u>
 <b>EXPENDITURES</b>			
Instruction	-	-	-
Support Services	42,284	42,284	28,687
Non-Instruction Services	-	-	-
Capital Outlays	11,500	11,500	11,061
Other Outlays	-	-	-
<b>TOTAL EXPENDITURES PAID</b>	<u>53,784</u>	<u>53,784</u>	<u>39,748</u>
 Excess of Revenue Over (Under) Expenditures Paid	 (31,290)	 (31,290)	 (8,445)
 <u>OTHER RESOURCES AND USES:</u>			
Operating Transfers In	-	-	-
 Revenues and Other Resources Over (Under) Expenditures and Other Uses	 (31,290)	 (31,290)	 (8,445)
 FUND BALANCE, BEGINNING OF YEAR	 <u>31,290</u>	 <u>31,290</u>	 <u>31,290</u>
 FUND BALANCE, END OF YEAR	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 22,845</u>

Child  
Nutritional Fund

Original Budget	Final Budget	Actual
\$ 4,598	\$ 4,598	\$ 4,243
1,608	1,608	2,096
84,260	84,260	99,535
90,466	90,466	105,874
-	-	-
-	-	-
101,671	101,671	97,986
-	-	-
8,500	8,500	8,079
110,171	110,171	106,065
(19,705)	(19,705)	(191)
-	-	-
(19,705)	(19,705)	(191)
19,705	19,705	19,705
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,514</u>

Total

Original Budget	Final Budget	Actual
\$ 27,092	\$ 27,092	\$ 35,546
1,608	1,608	2,096
84,260	84,260	99,535
112,960	112,960	137,177
-	-	-
42,284	42,284	28,687
101,671	101,671	97,986
11,500	11,500	11,061
8,500	8,500	8,079
163,955	163,955	145,813
(50,995)	(50,995)	(8,636)
-	-	-
(50,995)	(50,995)	8,636
50,995	50,995	50,995
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,359</u>

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**McCURTAIN COUNTY, OKLAHOMA**  
Combining Statement of Assets, Liabilities and Fund Equity – Regulatory Basis  
Fiduciary Funds  
June 30, 2011

	<u>Agency Fund Activity Fund</u>
<b><u>ASSETS</u></b>	
Cash	\$ 12,943
Due From Other Funds	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 12,943</u></b>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>	
<b><u>LIABILITIES:</u></b>	
Checks Outstanding	<u>\$ 625</u>
<b>TOTAL LIABILITIES</b>	<b><u>625</u></b>
 <b><u>FUND BALANCE:</u></b>	
Unreserved/Undesignated	6,324
Undesignated Student Groups	<u>5,994</u>
<b>Total Fund Balance</b>	<b><u>12,318</u></b>
 <b>TOTAL LIABILITIES AND FUND EQUITY</b>	 <b><u>\$ 12,943</u></b>

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**McCURTAIN COUNTY, OKLAHOMA**  
Combining Statement of Changes in Assets and Liabilities – Regulatory Basis  
Year Ended June 30, 2011

	Balance 7-1-10	Deposited	Net Transfers	Disbursed	Balance 6-30-11
<b><u>ASSETS:</u></b>					
Cash	\$ 12,270	\$ 89,403	\$ -	\$ 89,355	\$ 12,318
<b>TOTAL ASSETS</b>	<b>\$ 12,270</b>	<b>\$ 89,403</b>	<b>\$ -</b>	<b>\$ 89,355</b>	<b>\$ 12,318</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>					
Unreserved/Undesignated	\$ 6,074	\$ 33,706	\$ -	\$ 33,456	\$ 6,324
Designated - Student Groups	6,196	55,697	-	55,899	5,994
<b>TOTAL LIABILITIES</b>	<b>\$ 12,270</b>	<b>\$ 89,403</b>	<b>\$ -</b>	<b>\$ 89,355</b>	<b>\$ 12,318</b>

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**McCURTAIN COUNTY, OKLAHOMA**  
 School Activity Funds  
 Year Ended June 30, 2011

Description	Beginning Balance 6/30/2010	Receipts	Adjustments	Disbursements	Ending Balance 6/30/2011
Athletics	\$ 2,505.48	\$ 21,461.50	\$ -	\$ 23,034.13	\$ 932.85
Baseball	1,149.48	380.00	-	1,433.73	95.75
General Activity	433.01	513.47	-	938.04	8.44
FFA	816.69	35,071.02	-	34,626.93	1,260.78
FHA	611.40	3,202.85	-	2,629.05	1,185.20
High School Library	359.23	500.00	-	328.50	530.73
Softball	246.14	6,701.00	-	5,304.95	1,642.19
HS Academic Team	50.97	100.00	-	-	150.97
Student Council	61.45	1,332.28	-	1,332.28	61.45
Yearbook	1,684.67	4,311.70	-	2,368.04	3,628.33
Donation Fund	55.51	2,885.00	-	2,885.00	55.51
Fellowship of Christian Athletes	80.40	500.00	-	500.00	80.40
Elementary Account	54.70	842.00	-	896.70	-
Cheerleading	245.65	4,299.72	-	4,255.60	289.77
FFA Booster	862.37	-	-	680.00	182.37
Speech and Drama	-	337.95	-	340.30	53.24
High School Account	55.59	-	-	-	42.00
Class of 2008-2009	42.00	-	-	-	739.67
Class of 2009-2010	739.67	2,113.50	-	2,511.86	172.43
Class of 2010-2011	570.79	1,706.30	-	2,051.89	183.67
Class of 2011-2012	529.26	1,993.50	-	1,813.55	202.45
Class of 2012-2013	22.50	32.50	-	-	156.03
Class of 2013-2014	123.53	82.00	-	-	323.60
Class of 2014-2015	241.60	120.00	-	216.72	48.43
Class of 2015-2016	145.15	81.75	-	275.34	1.65
Class of 2016-2017	195.24	68.00	-	101.50	50.00
Class of 2017-2018	83.50	129.84	-	103.00	185.47
Class of 2018-2019	158.63	91.85	-	130.83	-
Class of 2019-2020	38.98	111.50	-	74.81	37.32
Class of 2020-2021	-	45.50	-	48.98	29.39
Class of 2021-2022	32.87	320.50	-	391.50	2.72
Class of 2022-2023	73.72	68.00	-	46.00	22.00
Class of 2023-2024	-	-	-	-	-
<b>Grand Total</b>	<b>\$ 12,270.18</b>	<b>\$ 89,403.23</b>	<b>\$ -</b>	<b>\$ 89,318.60</b>	<b>\$ 12,354.81</b>

---

**SUPPORTING SCHEDULES**

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**McCURTAIN COUNTY, OKLAHOMA**  
**Schedule of Expenditures of Federal Awards - Regulatory Basis**  
**Year Ended June 30, 2011**

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass Through Grantor's Number</u>
----------------------------------------------------------------	-----------------------------	----------------------------------------------

U.S. Department of Education Direct Programs:

Impact Aid	84.041	
Small Rural School	84.358A	S358A043601
Indian Education Title VII	84.060A	S060A041278
TOTAL U.S. DEPARTMENT OF EDUCATION		

Passed Through State Department of Education:

Title I, Part A	84.010	N/A
Title I, Part A - ARRA	84.389A	N/A
Title VI, Part B - REAP	84.367	N/A
Gear Up	84.334S	N/A
Indian Education JOM	15.130	N/A
IDEA - B Flow Through	84.027	N/A
IDEA - B Pre-School	84.173	N/A
IDEA-B Early Intervening	84.027	N/A
IDEA - B Flow Through -ARRA	84.391	N/A
IDEA - B Pre-School - ARRA	84.393	N/A
ARRA Foundation & Salary Aid	84.397	N/A
ARRA Education Stabilization	84.394	N/A
ARRA Education Jobs	84.410	
TOTAL STATE DEPARTMENT OF EDUCATION		

Passed Through State of Oklahoma

Forrest Reserves	10.665	
------------------	--------	--

Passed Through U.S. Department of Agriculture:

Child Nutrition - Lunches	10.555	N/A
Child Nutrition - Breakfasts	10.553	N/A
TOTAL U.S. DEPARTMENT OF AGRICULTURE		

Passed Through U.S. Department of Human Services:

Commodity Supplemental Food Program	10.565	N/A
-------------------------------------	--------	-----

TOTAL FEDERAL FINANCIAL ASSISTANCE

Balance June 30, 2010	Receipts for Prior Year Expenditures	Receipts for Current Year Expenditures	Expenditures	Balance June 30, 2011
\$ -	\$ -	\$ 24,402	\$ 24,402	\$ -
-	2,985	13,645	14,099	-
-	-	10,427	10,427	-
-	2,985	48,474	48,928	-
116	-	74,931	76,333	336
9,831	4,038	9,831	9,831	-
-	-	18,928	18,928	-
21,717	-	13,500	28,600	6,617
-	809	1,235	2,600	-
2,410	2,028	39,102	49,167	751
-	-	544	609	-
-	1,833	-	1,896	-
-	20,485	-	21	-
-	1,362	-	-	-
-	-	-	-	-
-	-	68,274	68,274	-
-	-	42,211	42,211	16,066
34,074	30,555	268,556	298,469	23,771
-	-	56,329	56,329	-
-	-	66,470	66,470	-
-	-	27,123	27,123	-
-	-	93,593	93,593	-
-	-	5,942	5,942	-
\$ 34,074	\$ 33,540	\$ 472,893	\$ 503,262	\$ 23,771

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**MCCURTAIN COUNTY, OKLAHOMA**

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

**Note 1:** The accompanying schedule of expenditures of federal awards includes the federal grant expenditures of Eagletown Public Schools, I-13, McCurtain County, Oklahoma and is presented on the regulatory basis of accounting prescribed by the Oklahoma State Department of Education. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

No amounts were passed through to a subrecipient.

---

**SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT**

**EAGLETOWN PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-13**  
Schedule of Accountant's Professional Liability Insurance Affidavit  
July 1, 2010 to June 30, 2011

STATE OF OKLAHOMA    )  
                                          )ss  
COUNTY OF MCCURTAIN )

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

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

By \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_.

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

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

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

The Board of Education  
Eagletown Independent School District No. I-13  
Eagletown, McCurtain County, Oklahoma

We have audited the financial statements of Eagletown Independent School District No I-13, McCurtain County, Oklahoma as of and for the year ended June 30, 2011, and have issued our report thereon dated August 24, 2011. As stated in our report, the financial statements were prepared in conformity with the accounting and financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education which differs from accounting principles generally accepted in the United States of America. In our report, our opinion was qualified because the omission of the General Fixed Assets Account Group results in an incomplete presentation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented. Or detected and corrected on a timely basis.

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

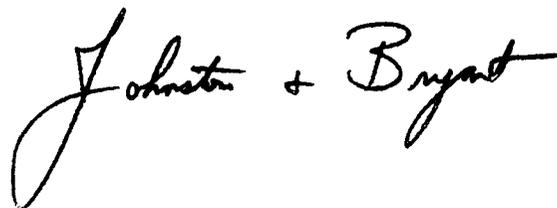
The Board of Education  
Eagletown Independent School District No. I-13  
Eagletown, McCurtain County, Oklahoma  
Page 2

**Compliance And Other Matters**

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

This report is intended solely for the information and use of management, others within the organization, board of education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

August 24, 2011

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

**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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

The Board of Education  
Eagletown Independent School District No. I-13  
Eagletown, McCurtain County, Oklahoma

**Compliance**

We have audited the compliance of Eagletown Public Schools with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2011. Eagletown Public Schools major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts, and grant applicable to each of its major federal programs is the responsibility of Eagletown Public School's management. Our responsibility is to express an opinion on Eagletown Public School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Eagletown Public School's compliance with those requirements.

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

**Internal Control Over Compliance**

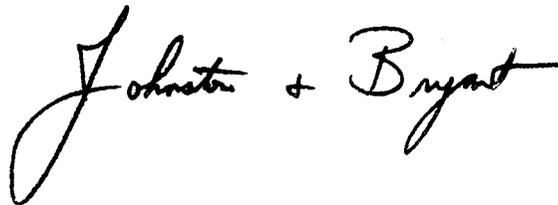
Management of Eagletown Public Schools is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Eagletown Public School's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of Eagletown Public School's internal control over compliance.

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

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

This report is intended solely for the information and use of management, others within the entity, board of education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

August 24, 2011

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

EAGLETOWN INDEPENDENT SCHOOL DISTRICT NO. I-13

MCCURTAIN COUNTY, OKLAHOMA

Schedule of Findings and Questioned Costs

Year Ended June 30, 2011

Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued: Qualified

Internal Control over financial reporting

Material weaknesses identified?  Yes  No

Reportable conditions identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

Findings relating to the financial statements which are required to be reported in accordance with GAGAS?  Yes  None Reported

Federal Awards

Internal control over major programs: Unqualified

Material weaknesses identified?  Yes  No

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

Type of auditor's report issued on compliance for major programs: Unqualified

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

Findings and questioned costs for Federal Awards  Yes  None Reported

Identification of Major Programs:

CFDA

Number

Name of Federal Program

84.010

Title I, Part A

84.389A

Title I, Part A – ARRA

10.555

Child Nutrition – Lunches

10.553

Child Nutrition - Breakfasts

84.394

ARRA Education Stabilization

84.410

ARRA Education Jobs

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?  Yes  No

**EAGLETOWN INDEPENDENT SCHOOL DISTRICT NO. I-13**  
**MCCURTAIN COUNTY, OKLAHOMA**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2011

Status of Prior Year Findings

No prior year audit findings.