



***Edmond Public Schools***  
***Oklahoma County, Oklahoma***  
Financial Statements  
Year-End June 30, 2015

RHJ

Edmond Independent School District No. 12  
Oklahoma County, Oklahoma  
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June 30, 2015

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Edmond Independent School District No. 12, Oklahoma County, Oklahoma  
Edmond, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Edmond Independent School District No.12, Oklahoma County, Oklahoma, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility of the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed by the Oklahoma State Department of Education described in Note 1; this includes 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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.

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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 described in Note 1, the financial statements are prepared by Edmond Independent School District No.12, Oklahoma County, Oklahoma, on the basis of the financial reporting provisions of 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 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 reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of 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 Edmond Independent School District No.12, Oklahoma County, Oklahoma, as of June 30, 2015, the changes in its financial position for the year then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position on a regulatory basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Edmond Independent School District No.12, Oklahoma County, Oklahoma, as of June 30, 2015, and the respective changes in regulatory basis financial position thereof for the year then ended, in accordance with the financial reporting provisions of Oklahoma State Department of Education as described in Note 1.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Edmond Independent School District No.12, Oklahoma County, Oklahoma’s basic financial statements as a whole. The management discussion and analysis, budgetary comparison schedules, combining nonmajor fund financial statements, statement of changes in activity fund subaccounts and statement of statutory fidelity and honesty bonds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying 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 nonmajor fund financial statements, statement of changes in activity fund subaccounts 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Oklahoma Department of Education requires management discussion and analysis, budgetary information and the statement of statutory fidelity and honesty bonds be presented to supplement the financial statements. Such information, although not considered part of the basic financial statements, is required by the Oklahoma Department of Education, who considers it an essential part of the financial reporting. We have applied certain limited procedures to this supplemental information which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2016, on our consideration of the Edmond Independent School District No.12, Oklahoma County, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Edmond Independent School District No.12, Oklahoma County, Oklahoma's internal control over financial reporting and compliance.

*Rahhal Henderson Johnson, PLLC*

Ardmore, Oklahoma  
January 25, 2016

**EDMOND PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. 12**

Management's Discussion and Analysis  
June 30, 2015

This section of Edmond Public Schools Independent School District No.12's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the District's financial statements, which immediately follow this section.

**VIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts -- management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund regulatory financial statements* that focus on *individual parts* of the District, reporting the District's operations in more detail than the district-wide statements.
- The *governmental funds* statements tell how *basic* services like regular and special education were financed in the *short term* as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed *data*. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

The financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma Department of Education as more fully described in Note 1 to the financial statements.

Figure A-1 summarizes the major features of the District's financial statements. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**EDMOND PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 12**

Management's Discussion and Analysis  
June 30, 2015

**Figure A-1  
Major Features of District-Wide and Fund Financial Statements**

	<u>District-wide Statements</u>	<u>Fund Financial Statements Governmental Funds</u>
<b>Scope</b>	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance
<b>Required financial statements</b>	1) Statement of net position-regulatory basis 2) Statement of activities-regulatory basis	1) Balance Sheet-regulatory basis 2) Statement of revenues, expenditures, and changes in fund balances-regulatory basis
<b>Accounting basis and measurement focus</b>	Regulatory basis as described above	Regulatory basis as described above
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

**District-wide Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the District's capital assets and long-term liabilities.

The two district-wide statements report the District's net position. Net position - the difference between the District's assets and liabilities - are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are categorized as governmental activities.

*Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.



**EDMOND PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 12**

Management's Discussion and Analysis  
June 30, 2015

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues.

Most of the District's basic services are included in *governmental funds*, which generally focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explain the relationship (or differences) between them.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Table A-2  
Edmond Public Schools  
Net Position  
(in millions of dollars)**

	<b>2013</b>	<b>2014</b>	<b>2015</b>
Current and other assets	\$128.2	\$137.7	\$145.6
Capital assets	312.4	331.6	355.3
<b>Total assets</b>	<b>\$440.6</b>	<b>\$469.3</b>	<b>\$500.9</b>
Long-term obligations	\$124.6	\$135.6	\$143.9
Other liabilities	19.1	20.9	19.0
<b>Total liabilities</b>	<b>\$143.7</b>	<b>\$156.5</b>	<b>\$162.9</b>
Net position:			
Invested in capital assets, net of debt	\$232.7	\$251.4	\$272.3
Restricted	32.5	33.5	34.6
Unrestricted	31.7	27.9	31.1
<b>Total net position</b>	<b>\$296.9</b>	<b>\$312.8</b>	<b>\$338.0</b>

**EDMOND PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. 12**

Management's Discussion and Analysis  
June 30, 2015

**Net Position**

The major contributor to the change in net position was the acquisition of new capital assets, primarily the construction of new facilities.

**Table A-3**

**Edmond Public Schools**  
**Changes in Net Position**  
*(in millions of dollars)*

	<b>2013</b>	<b>2014</b>	<b>2015</b>
Revenues			
Program revenues			
Charges for services	\$11.8	\$12.3	\$12.3
Federal and State grants	14.3	13.7	14.8
General revenues			
Property taxes	98.9	102.6	108.2
Other taxes	15.2	16.0	16.4
Federal entitlement	--	--	--
State entitlement	44.8	44.8	45.7
Other general revenues	1.1	1.1	1.2
Total revenues	\$186.1	\$190.5	\$198.6
Expenses			
Program expenses			
Instruction	\$84.5	\$88.1	\$85.9
Support services	58.3	61.0	60.4
Non-instruction	11.0	12.5	13.1
Interest on long-term debt	2.5	2.4	2.4
Depreciation-unallocated	10.0	10.6	11.6
Total expenses	\$166.3	\$174.6	\$173.4
<b>Increase in net position</b>	\$19.8	\$15.9	\$25.2
Beginning Net Position	277.1	296.9	312.8
Ending Net Position	\$296.9	\$312.8	\$338.0

**EDMOND PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. 12**

Management's Discussion and Analysis  
June 30, 2015

**Changes in Net Position**

In 2015 the District's revenues increased \$8.1 million from the prior year (See Table A-3). The most significant variance from the prior year was in property taxes. Revenue from property taxes increased \$5.6 million over the prior year. This increase resulted from an increase of 5.5% in the District's property valuation from \$1.553 billion to \$1.639 billion and an increase in the millage rate from 66.25 to 66.30 mills. The millage rate varies from year to year because of the changing sinking fund levy as old bonds are retired and new bonds are added. When planning bond elections, the District strives to maintain the millage rates as level as possible within the range of 66.26 to 67.26 mills.

Program revenues increased \$1.1 million over the prior year. The significant areas contributing to the increase included a \$232,000 increase in the District's federal Title I allocation for Improving the Academic Achievement of the Disadvantaged; a new federal allocation for \$98,000 under the Immigration Education Act for limited English proficient and immigrant students; and the final funding draw from the Oklahoma City Metropolitan Area Public Schools (MAPS) Trust in the amount of \$465,000. The MAPS Trust was funded from sales taxes collected from 2002 to 2008 for the purpose of capital improvement projects in school districts with attendance boundaries in the Oklahoma City limits. Since inception of the tax, the District received \$17.054 million in funding which was used for 27 projects in 12 schools.

State entitlement revenue increased \$900,000 over the prior year. The increase is attributable to a state aid calculation correction made by the Oklahoma State Department of Education (OSDE) in 2015. The OSDE acknowledged that it had not followed state statute with regard to assessment ratios of commercial and agricultural personal property in the state aid formula resulting in overpayments to some school districts and underpayments to others for the past 23 years. The formula was corrected only for the 2015 funding allocations. Collection of back years is being pursued through legal action initiated by a group of school districts.

Program expenses decreased \$1.2 million despite an increase of 502 students from 23,020 in 2014 to 23,522 in 2015. This is the result of a deliberate plan to diminish the utilization of fund balance and align general fund expenditure levels with revenues. Expenditures were reduced by cutting site and department budgets, utilizing carryover textbook funds for payroll needs as allowed by state law, and adjusting staffing levels across all employee categories (certified, support and administrative). To achieve the certified staffing reductions, targeted class sizes were increased by 1 student per class in 1<sup>st</sup> and 3<sup>rd</sup> grades and 2 students per class in 2<sup>nd</sup>, 4<sup>th</sup> and 5<sup>th</sup> grades. At the secondary level, middle schools cut one teaching position per site and high schools cut two teaching positions per site. All staffing adjustments were made through attrition with no employee layoffs.

**EDMOND PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. 12**

Management's Discussion and Analysis  
June 30, 2015

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The financial performance of the District's funds are reflected in the balance sheet for governmental funds report on page 15. The District's balance sheet for all funds reflects a combined fund balance of \$88.1 million, an increase of \$7.8 million over the prior year. The overall increase is attributed to a \$5.1 million increase in capital project funds (bond funds), a \$3.2 million increase in the general fund, a \$319,000 increase in the MAPS fund, a \$169,000 increase in the activity fund and a \$133,000 increase in the debt service fund, offset by decreases of \$884,000 in the building fund and \$209,000 in the child nutrition fund.

**General Fund Budgetary Highlights for 2015**

A significant funding shift in revenue has occurred since 2001. This is due in part to reduced state appropriations and in part because under the state funding formula, local ad valorem levies reduce a district's state aid. In 2001, 59.1% of the District's revenue was provided by the state and 30.3% was from local sources. In 2015, state revenue comprised 42.1% of the District's total collections while local revenue comprised 44.5%. The greater reliance on ad valorem taxes which are primarily collected in the second half of the year (versus state funding which is collected ratably starting in August) necessitates a higher fund balance in order to pay expenses in the first half of the year. In planning the District's 2015 budget, measures were taken to lessen the utilization of fund balance and provide reserves for the opening of Heritage Elementary in August 2015 and Heartland Middle School in August 2016. Those measures were successful and the District ended 2015 with a general fund balance of \$14.9 million.

In the general fund, local revenue increased consistent with the increase in property valuations in the District. State revenue increased primarily due to the state aid calculation correction discussed in the district-wide comments. Federal funding increased \$438,000 which includes Title I and Immigrant Education as noted above. Timing differences related to federal claims and reimbursements substantially account for the remaining difference.

Employee wages and benefits continue to comprise the largest portion of the expenditure budget. Total 2015 payroll cost was \$129.1 million, 96.1% of the District's total general fund expenditures. General fund expenditures were 72.7% instruction and student services, 7.3% facilities operations, 6.8% school administration, 5% student transportation, 4.5% instructional support, 2.7% central services and 1% general administration.

**EDMOND PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. 12**

Management's Discussion and Analysis  
June 30, 2015

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

During 2015, the District completed \$41.9 million in construction projects, including completion of Frontier Elementary, classroom additions at Angie Debo Elementary and Washington Irving Elementary, improvements at North High School, custodial building renovations, administration center renovations and energy conservation initiatives.

On June 30, 2015, the District had bond funds available, including accumulated interest, of \$59.6 million, which will be spent on capital projects including completion of Heritage Elementary and Heartland Middle School; additions of classrooms and multi-purpose rooms which will dual purpose as storm shelters; site renovations; parking and road improvements; football stadium upgrade; playground improvements; instructional, technology and transportation equipment; and land purchase for a future elementary/middle school site. Accumulated bond fund interest accounted for \$2.6 million of the bond funds available.

Edmond's seventeenth elementary school, Heritage Elementary, opened in August 2015. Also under construction is the District's sixth middle school, Heartland Middle School, which will open in August 2016.

**Long-term Debt**

At fiscal year end, the District had \$142.9 million in total long-term debt outstanding. This is a net increase of \$8.2 million from last year's amount of \$134.7 million. The District issued new bonds totaling \$43.9 million and retired \$35.7 million of outstanding bonds.

In February 2015, voters in the District approved the issuance of bonds totaling \$90,660,000, to be issued in four series over a two-year period. The issuance plan will minimize fluctuations in patrons' taxes as well as stagger construction requirements. The first installment in the amount of \$35,460,000 was issued in March 2015, and the second installment of \$9,600,000 was issued in August 2015. The third installment of \$33,520,000 is scheduled for March 2016, and the fourth installment of \$12,080,000 is scheduled for August 2016.

This election supported the first phase of a multi-year plan meet space demands of enrollment growth while also providing storm shelters in all of our schools. These shelter spaces will be classrooms, media centers, gymnasiums, multi-purpose rooms, and a band room as determined by the particular needs of each school. A future bond election will be held to secure funding to complete the shelter plan and extend football stadium upgrades to the remaining high schools as well as continue financial support for technology, roofing, flooring, HVAC, school safety and security, and school equipment.

**EDMOND PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. 12**

Management's Discussion and Analysis  
June 30, 2015

***FACTORS BEARING ON THE DISTRICT'S FUTURE***

The 2015 Legislature had quite a challenge to craft the State's 2016 budget around a \$611 million decrease in certified revenue. The end result was an appropriations decrease from the prior year of \$96.4 million which included \$590 million from one-time sources such as cash reserves, agency revolving funds and the Rainy Day Fund. In a budget year when 49 agencies received appropriations cuts and only eight agencies received increases, education was one of twelve agencies whose funding was held flat. However, with increasing enrollment statewide, flat funding produces a reduction in per pupil funding.

Added to the challenge of educating more students with no additional funding are concerns whether this year's state revenue collections will meet projections. This year's state budget was built on projected energy prices of \$57.55 per barrel of gas and \$3.97 per MCF of natural gas. Oil prices have been below \$50 per barrel since July 2015, while natural gas has been below \$3 almost continuously since June 2015. And concern is already mounting that the downturn could extend into the 2017 budget when, in addition to the economic realities of low energy prices, the reliance on one-time funding and automatic funding increases for transportation will impact the state budget.

Recognizing that funding for common education is still inadequate to achieve the standards for class sizes and textbook and media/library spending put into law by House Bill 1017, the 2014 Legislature voted to continue the moratorium on those accreditation standards for two more years. This moratorium is effective until June 30, 2016.

Despite the uncertainties surrounding state funding, local property growth, both residential and commercial, in Edmond is still strong. Property valuation is anticipated to increase an average of 4% over the next two years.

Enrollment growth is projected to continue at the rate of 400 to 500 students per year over the next couple of years.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lori Smith, Treasurer, 1001 W. Danforth, Edmond, OK 73003.

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## **BASIC FINANCIAL STATEMENTS**

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Statement of Net Position – Regulatory Basis  
June 30, 2015

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Investments	\$ 129,656,333
Investments	15,546,039
Other Current Assets	29,175
Inventories	434,368
Capital Assets:	
Land and Construction in Progress	51,527,592
Other Capital Assets, net of depreciation	303,764,383
	<u>500,957,890</u>
<b>Total Assets</b>	<b>\$ 500,957,890</b>
 <b>LIABILITIES AND EQUITY</b>	
<b>Current Liabilities</b>	
Warrants Outstanding	\$ 5,540,879
Salaries and Related Benefits	12,225,947
Vendor Obligations Payable	422,868
Reserve for Encumbrances	856,288
<b>Long -term liabilities</b>	
Due within One Year	38,461,000
Due in More than One Year	105,400,912
	<u>162,907,894</u>
<b>Total Liabilities</b>	<b>\$ 162,907,894</b>
 <b>Net Position</b>	
Net Investments in Capital Assets	\$ 272,335,867
Restricted for	
Debt Service	23,981,108
School-Based Activities	3,416,901
Child Nutrition	2,628,430
Buildings	4,555,968
Private Grants	59,923
Unrestricted	31,071,799
<b>Total Net Position</b>	<b>\$ 338,049,996</b>

See Notes to Financial Statements



EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Statement of Activities– Regulatory Basis  
For the Year Ended June 30, 2015

<i>Functions/Programs</i>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	Net (Expense) Revenue and Changes in Net Position
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Primary Governmental Activities</u>
Primary Government					
Governmental Activities					
Instruction	\$ 85,943,029	\$ 132,705	\$ 9,660,669	\$ -	\$ (76,149,655)
Support Services	60,362,188	4,116,537	844,975	-	(55,400,676)
Non-Instruction Services	13,135,055	8,088,399	4,302,418	-	(744,238)
Interest on Long-Term Debt	2,366,600	-	-	-	(2,366,600)
Depreciation-Unallocated	11,572,445	-	-	-	(11,572,445)
Total Governmental Activities	<u>\$ 173,379,317</u>	<u>\$ 12,337,641</u>	<u>\$ 14,808,062</u>	<u>\$ -</u>	<u>\$ (146,233,614)</u>
General Revenues					
Taxes					
Property taxes, levied for general purposes					\$ 60,303,513
Property taxes, levied for building purposes					8,608,664
Property taxes, levied for sinking fund purposes					39,251,792
General Taxes					16,425,204
Investment Earnings					1,205,287
State Aid - Formula grant					45,668,798
Gain on sale of property					14,779
Total General Revenues					<u>\$ 171,478,037</u>
Change in Net Position					<u>\$ 25,244,423</u>
Net Position - Beginning					312,805,573
Net Position - Ending					<u><u>\$ 338,049,996</u></u>

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Balance Sheet – Governmental Funds– Regulatory Basis  
June 30, 2015

	General Fund	Debt Service Fund	2015A Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and Cash Investments	32,759,483	\$ 30,201,500	\$ 28,660,368	\$ 38,034,981	\$ 129,656,332
Investments	14,925	10,910,571	4,620,543	-	15,546,039
Other Current Assets	737	-	28,437	-	29,174
Inventory	64,618	-	-	335,870	400,488
<b>Total Assets</b>	<u>\$ 32,839,763</u>	<u>\$ 41,112,071</u>	<u>\$ 33,309,348</u>	<u>\$ 38,370,851</u>	<u>\$ 145,632,033</u>
<b>Liabilities</b>					
Warrants Outstanding	\$ 17,089,867	\$ -	\$ 33,035	\$ 645,722	\$ 17,768,624
Vendor Obligations Payable	30,469	-	-	390,597	421,066
Principal and Interest Accruals	-	38,483,722	-	-	38,483,722
Reserve for Encumbrances	856,288	-	-	-	856,288
<b>Total Liabilities</b>	<u>\$ 17,976,624</u>	<u>\$ 38,483,722</u>	<u>\$ 33,035</u>	<u>\$ 1,036,319</u>	<u>\$ 57,529,700</u>
<b>Fund Balances</b>					
Nonspendable	\$ 64,620	\$ -	\$ -	\$ 335,870	\$ 400,490
Restricted	597,086	2,628,349	33,158,379	28,660,845	65,044,659
Committed	-	-	-	6,026,704	6,026,704
Assigned	14,201,433	-	117,934	2,311,113	16,630,480
<b>Total Fund Balances</b>	<u>\$ 14,863,139</u>	<u>\$ 2,628,349</u>	<u>\$ 33,276,313</u>	<u>\$ 37,334,532</u>	<u>\$ 88,102,333</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 32,839,763</u>	<u>\$ 41,112,071</u>	<u>\$ 33,309,348</u>	<u>\$ 38,370,851</u>	

*Amounts reported for governmental activities in the statement of net position are different because:*

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$490,291,395 and accumulated depreciation is \$134,999,420.	355,291,975
Federal commodities are distributed to the District to be used by the child nutrition program. Governmental funds are concerned with the flow of financial resources and, therefore, the receipt and usage of commodities are not reported in the governmental funds.	33,878
Sinking Fund Principal and Interest Accruals are part of the net assets at the district-wide level	38,483,722
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long term liabilities at year end consist of:	
Bonds Payable	142,865,000
Compensated Absences	996,912
	<u>(143,861,912)</u>
Net position of governmental activities.	<u>\$ 338,049,996</u>

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Statement of Revenues, Expenditures and Changes in Fund  
Balances – Governmental Funds– Regulatory Basis  
For the Year Ended June 30, 2015

	General Fund	Debt Service Fund	2015A Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUE</b>					
Property Taxes	\$ 60,303,513	\$ 39,251,792	\$ -	\$ 9,073,253	108,628,558
Interest	57,514	202,345	9,216	148,224	417,299
County Revenue	5,908,557	-	-	-	5,908,557
State Revenue	57,993,760	957	-	108,909	58,103,626
Federal Revenue	6,888,913	-	-	2,859,075	9,747,988
Other	905,491	-	-	12,744,114	13,649,605
Total Revenue	<u>\$ 132,057,748</u>	<u>\$ 39,455,094</u>	<u>\$ 9,216</u>	<u>\$ 24,933,575</u>	<u>\$ 196,455,633</u>
 <b>EXPENDITURES</b>					
Current					
Instruction	\$ 82,744,407	\$ -	\$ -	\$ 2,491,918	\$ 85,236,325
Support Services	45,206,945	-	69,450	16,992,425	62,268,820
Non-instruction Services	6,404,612	-	-	5,730,477	12,135,089
Capital Outlay	-	-	2,123,453	31,513,963	33,637,416
Other Outlays	20,735	4,422	-	1,992	27,149
Debt Service					
Interest Paid	-	2,366,600	-	-	2,366,600
Principal Retirement	-	35,700,000	-	-	35,700,000
Total Expenditures	<u>\$ 134,376,699</u>	<u>\$ 38,071,022</u>	<u>\$ 2,192,903</u>	<u>\$ 56,730,775</u>	<u>\$ 231,371,399</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,318,951)</u>	<u>\$ 1,384,072</u>	<u>\$ (2,183,687)</u>	<u>\$ (31,797,200)</u>	<u>\$ (34,915,766)</u>
 Other Financing Sources					
Transfers In	\$ 5,553,600	\$ -	\$ -	\$ 1,026,709	\$ 6,580,309
Transfers Out	(30)	(97,113)	-	(6,483,166)	(6,580,309)
Accrued Principal & Interest	-	(1,941,343)	-	-	(1,941,343)
Premium on Bond Sales	-	787,778	-	-	787,778
Proceeds of Bonds	-	-	35,460,000	8,440,000	43,900,000
Total Other Financing Sources (Uses)	<u>\$ 5,553,570</u>	<u>\$ (1,250,678)</u>	<u>\$ 35,460,000</u>	<u>\$ 2,983,543</u>	<u>\$ 42,746,435</u>
Net Change in Fund Balances	\$ 3,234,619	133,394	33,276,313	(28,813,657)	7,830,669
Fund Balances - Beginning	<u>11,628,520</u>	<u>2,494,955</u>	<u>-</u>	<u>66,148,189</u>	<u>80,271,664</u>
Fund Balances - Ending	<u>\$ 14,863,139</u>	<u>\$ 2,628,349</u>	<u>\$ 33,276,313</u>	<u>\$ 37,334,532</u>	<u>\$ 88,102,333</u>

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balances – Governmental Funds to the Statement of Activities– Regulatory Basis  
For the Year Ended June 30, 2015

*Amounts reported for governmental activities  
in the statement of activities are different because:*

Net change in fund balances - total governmental funds		\$ 7,830,669						
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>								
This is the amount by which capital outlays exceeds depreciation during the period.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">Capital Outlay \$ 35,277,175</td> <td style="width: 20%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Depreciation Expense <u>(11,572,445)</u></td> <td style="text-align: right;">23,704,730</td> </tr> </table>		Capital Outlay \$ 35,277,175			Depreciation Expense <u>(11,572,445)</u>	23,704,730	
	Capital Outlay \$ 35,277,175							
	Depreciation Expense <u>(11,572,445)</u>	23,704,730						
<p>In the statement of activities, the gain from the disposal of assets is reported. In the governmental funds, proceeds from the disposal of assets, if any, are reported. Thus the change in net position differs by the net underpreciated costs fo the assets disposed.</p>								
		(781)						
<p>In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). This year, vacation and sick leave earned exceeded amounts used.</p>								
		(41,407)						
<p>Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Debt issued this year exceeded repayments.</p>								
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">Debt Issued \$ (43,900,000)</td> <td style="width: 20%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Debt Repayments <u>35,700,000</u></td> <td style="text-align: right;">(8,200,000)</td> </tr> </table>		Debt Issued \$ (43,900,000)			Debt Repayments <u>35,700,000</u>	(8,200,000)	
	Debt Issued \$ (43,900,000)							
	Debt Repayments <u>35,700,000</u>	(8,200,000)						
<p>The receipt of USDA commodities are not reported as revenue in the governmental funds but are reflected in the government-wide financial statements</p>								
		9,870						
<p>Resources provided in the debt service fund in accordance with Oklahoma Statute 62-431 are not a liability at the district-wide level but considered a component of restricted net assets</p>								
		<u>1,941,342</u>						
Change in net position of governmental activities.		<u>\$ 25,244,423</u>						

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Statement of Fiduciary Net Position – Regulatory Basis  
June 30, 2015

	<u>Private Purpose Trust</u>
Assets	
Cash and Cash Investments	\$ <u>461,688</u>
 Total Assets	 \$ <u>461,688</u>
 Net Position	
Nonspendable Endowment	\$ 440,088
Restricted for Scholarships	<u>21,600</u>
 Total Net Position	 \$ <u>461,688</u>

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
 Oklahoma County, Oklahoma  
 Statement of Changes in Fiduciary Net Position – Regulatory Basis  
 For the Year Ended June 30, 2015

	<u>Private Purpose Trust</u>
Additions:	
Interest	4,468
Total Additions	\$ 4,468
<b>Deductions</b>	
Other Expenses	5,000
Changes in Net Position	\$ (532)
Net Position-Beginning	462,220
Net Position -Ending	\$ 461,688

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 1 -- Summary of Significant Accounting Policies

The Reporting Entity - The Edmond Independent School District No. 12 (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 the State of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70 of the 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. There are no component units included within the reporting entity.

Financial Statement Presentation - The District prepares its financial statements in a presentation format that is, in substance, the format established by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statement-Management's Discussion and Analysis-for State and Local Governments*.

GASB Statement No. 34 established a financial reporting model for state and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes.

Basic Financial Statements – Government-Wide Statements - The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District does not have any activities classified as business-type activities.

In the government-wide Statement of Net Position, the District's governmental activities are reported on cash receipts and disbursement basis modified as required by the regulations of the Oklahoma Department of Education to include long-term debt and obligations. The District's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's programs and functions. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Direct expenses are those that are clearly identifiable with a specific function. Program revenues must be directly associated with the function. Charges for services include charges and fees to students, or customers who purchase, use or directly benefit from the goods, services, or privileges provided by a given function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 1 -- Summary of Significant Accounting Policies (continued)  
Basic Financial Statements – Government-Wide Statements

All interfund transactions are eliminated in the district-wide statements.

The net costs are normally covered by general revenue (property taxes, State and Federal aid, other taxes etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the district-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

Basic Financial Statements – Fund Financial Statements - Governmental fund financial statements are reported using the cash receipts and disbursements basis of accounting modified as required by the Oklahoma Department of Education to include investments and inventories on hand, encumbrances issued, and warrants outstanding. The fund financial statements provide reports on the financial condition and results of operations of governmental and fiduciary fund categories on a basis required by the cash basis and budget laws of the State of Oklahoma. Since resources in the fiduciary funds cannot be used for District operations, they are not included in the district-wide statements.

The District reports the following major governmental funds:

General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

2015A Bond Fund is used to account for the proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

Additionally, the District reports the following fund types which are included in other governmental funds:

Governmental Funds:

1. Special Revenue Funds – The District accounts for resources committed to, or designated for, specific purposes by the District or a grantor in a special revenue fund.
2. Capital Projects Funds – The proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.



EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 1 -- Summary of Significant Accounting Policies (continued)  
Basic Financial Statements – Fund Financial Statements (continued)

Fiduciary Funds:

3. Private purpose trust fund: The District accounts for resources held in a trust or custodial capacity for individuals or private organizations. These funds are primarily used for scholarships

Basis of Accounting - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

As to the basis of accounting, the basic financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma Department of Education as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Vendor obligations due and payable for goods and services received are recorded as a reduction of the encumbrance when received and a payable until paid.
- Warrants/Checks payable are recorded as liabilities when issued.
- Investments and inventories are recorded as assets when purchased and reduced when used.
- Capital assets in the government-wide statements are recorded when acquired and depreciated over their useful lives.
- Long-term debt reported in the government-wide statements is recorded when incurred.
- Financial resources provided in the debt service fund in accordance with Oklahoma Statute 62-431 are reported as fund liabilities. In the government-wide statements, these resources are shown as restricted net position.
- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which would have required the government-wide financial statements as well as the fiduciary fund financial statements to be presented on the accrual basis of accounting. The fund financial statements under accounting principles generally accepted in the United States of America would have been presented on the modified accrual basis of accounting. These financial statements are presented on the basis of accounting described above.

Inventories - Inventories consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories are accounted for using the consumption method where materials and supplies are recorded as an asset when purchased.

On the government-wide financial statements, United States Department of Agriculture (USDA) food commodities are recorded as revenue when received at fair value at the date of receipt and as an expense when used. USDA food commodities are not reported in the governmental funds.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 1 -- Summary of Significant Accounting Policies (continued)

Capital Assets - Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized.

Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

School Buildings	45 years
Site Improvements	20 years
Portable Classrooms	25 years
Outdoor and Grounds Equipment	15 years
Kitchen Equipment	10 years
Audio Visual Equipment, Musical Instruments, Business Machines, Classroom and Athletic Equipment	10 years
Computers and Peripheral Equipment	5 years
Licensed Vehicles	6 years

Compensated Absences –Certified and permanent personnel are entitled to one day of sick leave for each working month, with the total annual leave allotment being available on the first day of the employee’s work year. New support employees accrue sick leave at the rate of one day per month, with leave being available after accrual. As an attendance incentive, employees are compensated \$35 per day for full-time, or \$17.50 per day for part-time, for up to 10 days of sick leave accumulated in excess of 110 days at the end of the fiscal year.

Employees assigned to twelve month positions accrue 10 days of vacation per year for the first 4 years of employment, 15 days beginning with the 5<sup>th</sup> through 14<sup>th</sup> year of employment, and 18 days beginning with the 15<sup>th</sup> year of employment. Upon termination of employment, unused accrued vacation is paid at the employee's current rate of pay.

Budgets and Budgetary Accounting - The District is required by state law to prepare an annual budget. No later than October 1, each board of education shall prepare a financial statement and estimate of needs to be filed with the applicable county clerk and the State Department of Education. Once the county excise board has approved the estimate of needs, the board shall adopt a final budget within 45 days or the second regularly scheduled board meeting. No later than 15 days prior to adoption of a final budget, the board must conduct a public hearing for purposes of taking public comments.

The final budget may be revised upon approval of the Board of Education in open meeting.

A budget that includes revenues and expenditures is legally adopted by the Board of Education for the General Fund, Building Fund, Child Nutrition and the Debt Service Fund.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 1 -- Summary of Significant Accounting Policies (continued)  
Budgets and Budgetary Accounting (continued)

Budgets generally assume the expenditure of all available resources. Therefore, when the legal budget is prepared, it is assumed these funds will not have a carryover balance to a subsequent year. Program revenue received but not spent is deferred to the subsequent fiscal year.

Deposits - The District considers all cash on hand, demand deposits, money market checking, sweep accounts, and bank certificates of deposit which are subject to early withdrawal penalties no matter what the maturity period, to be cash. All short-term cash surpluses are maintained in a cash pool, the earnings from which are allocated to each fund based on average monthly deposit balances. State statutes require collateral for deposits in excess of insured amounts. The collateral's market value must exceed the uninsured deposit.

Investments - Short term investments are reported at cost. U.S. Government Agency investments are held at amortized cost. Securities traded on a national exchange are valued at the last reported sales price. The District's investment policies are governed by Oklahoma Statute 70-5-115. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations and bank and trust companies; and savings accounts or savings certificates of savings and loan associations and trust companies.

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

If the first payment is not made timely, the entire tax becomes due and payable on January 1. 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.

State Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Oklahoma Statute 70-18. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. Approximately 30% of the District's general fund revenue comes from state sources.

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.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 1 -- Summary of Significant Accounting Policies (continued)  
State Revenues (continued)

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 programs for which the money is provided and require that any 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.

Net Position and Fund Balance –

District-Wide Financial Statements –

Net position on the Statement of Net Position includes the following:

Net Investment in Capital Assets – The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted for Debt Service – The component of net position that reports the amount of funds restricted for payment of principal and interest on debt. This amount is restricted by bond indentures.

Restricted for Buildings – The component of net position that reports the excess of property taxes and other revenue collected in excess of expenses for operation of the District's buildings. This amount is restricted by state law.

Restricted for School Organizations – The component of net position that report the assets restricted for use by student organizations and extracurricular activities. This amount is restricted by regulations of the Oklahoma State Department of Education.

Restricted for Child Nutrition – The component of net position restricted for use by the child nutrition fund. This amount is restricted by regulations of the Oklahoma State Department of Education.

Restricted for Private Grants – The component of the net position restricted for use as specified in the original grant documents when grant was awarded. This amount is restricted by original grantor.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 1 -- Summary of Significant Accounting Policies (continued)  
Net Position and Fund Balance (continued)

Unrestricted – The difference between assets and liabilities that is not reported as restricted for any particular purpose.

When the District incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because it was not used.

Fund Financial Statements–

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified Inventories as being nonspendable as these items are not expected to be converted to cash within the next year. Endowment principal is non-spendable by terms of the endowment bequest.

Restricted: This classification includes amounts for which constraints on the use of the resources are either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified school bond and sales tax proceeds as being restricted because their use is restricted by state statute or legislation regarding use of expenditures. The building fund balance is restricted by state statute to capital outlay and property maintenance. Debt service resources are restricted by debt covenant to servicing general obligation bonds. Federal and state program revenues and gift fund grants are restricted by the granting agencies to program-specific expenditures. Endowment earnings are restricted for scholarship purposes by the contributor.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District has classified child nutrition and school program activities as being committed because their use is directed by the Board of Education.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 1 -- Summary of Significant Accounting Policies (continued)  
Net Position and Fund Balance (continued)

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to management through the budgetary process. The District has assigned general funds for employee compensation, site budget carryover, anticipated federal program carryover and appropriated budget. Bond fund earnings other than bond proceeds (primarily investment earnings) are assigned for bond costs and expenditures consistent with those restricted by bond proposition.

Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification would also include any negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. The District does not have a formal stabilization arrangement regarding minimum funding requirements.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

As of June 30, 2015, fund balances are comprised of the following:

	General Fund	Debt Service Fund	2015A Fund	Other Governmental Funds	Total Governmental Funds
Nonexpendable					
Inventory	\$ 64,620	\$ -	\$ -	\$ 335,870	\$ 400,490
Restricted					
Capital Outlay and Property Maintenance	-	-	33,158,379	28,600,922	61,759,301
Debt Service	-	2,628,349	-	-	2,628,349
Federal and State Programs	597,086	-	-	-	597,086
Instruction	-	-	-	59,923	59,923
Total Restricted:	<u>597,086</u>	<u>2,628,349</u>	<u>33,158,379</u>	<u>28,660,845</u>	<u>65,044,659</u>
Committed					
Food Services	-	-	-	2,609,803	2,609,803
School Organizations	-	-	-	3,416,901	3,416,901
Total Committed:	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,026,704</u>	<u>6,026,704</u>
Assigned					
Employee Compensation	856,288	-	-	-	856,288
Site Budget Carryover	72,608	-	-	-	72,608
Anticipated Federal Program Carryover	878,395	-	-	-	878,395
Appropriated Budget	12,394,142	-	-	-	12,394,142
Bond Costs and Capital Outlay	-	-	117,934	2,311,113	2,429,047
Total Assigned:	<u>14,201,433</u>	<u>-</u>	<u>117,934</u>	<u>2,311,113</u>	<u>16,630,480</u>
	<u>\$ 14,863,139</u>	<u>\$ 2,628,349</u>	<u>\$ 33,276,313</u>	<u>\$ 37,334,532</u>	<u>\$ 88,102,333</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
 Oklahoma County, Oklahoma  
 Notes to Financial Statements  
 June 30, 2015

Note 2 -- Cash and Investments

Investments – The district’s investment policies are governed by state statute. Permissible investments include direct obligations of the United States Government, its agencies and instrumentalities; obligations guaranteed by the State of Oklahoma; repurchase agreements collateralized by federal or state investments identified above; deposits in banks and savings and loan associations which are collateralized or insured by FDIC or FSLIC; county, municipal and school district ad valorem bonds; money market mutual funds regulated by the SEC and consisting of investments identified above; warrants, bonds or judgments of the school district; qualified pooled investment programs consisting of investments identified above and governed through an interlocal cooperative agreement, and investment programs administered by the State Treasurer.

The District maintains cash and investment pools available for use by all funds. Each fund’s portion of the pool is displayed on the governmental fund balance sheet.

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. State statutes require collateral for amounts in excess of federally insured amounts. The deposit policy for custodial credit risk requires compliance with the provision of state law. At June 30, 2015, the bank balance of deposits and cash pools was completely covered by federal depository insurance and by collateral held by the District’s third party agent in the District’s name.

Interest Rate Risk - The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Credit Risk –Investments – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal policy limiting its exposure arising from concentration of investments.

At June 30, 2015 the District held U.S. Government agency investments in the following:

<u>Agency</u>	<u>Moodys Rating</u>	<u>Term</u>	<u>Balance</u>
Federal Home Loan Bank	AAA	13-18 months	\$9,731,115
Federal Farm Credit Bank	AAA	13 months	5,799,999
Investments in U.S. Government Agency			<u>\$15,531,114</u>
Investment in Judgments			14,925
Total Investments			<u>\$15,546,039</u>

The District held as an investment two judgments awarded against the District for obligations from prior years, and purchased from the plaintiffs as investments of the general fund. The original judgment amounts totaling \$22,931 are levied in the sinking fund ratably over three years at a statutory interest rate set annually. As of June 30, 2015 the balance to collect was \$14,925. The interest rate for 2015 was 5.25%.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 3 -- Long-term Liabilities

The long-term liability balances and activity for the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
General Obligation Debt	\$ 134,665,000	\$ 43,900,000	\$ 35,700,000	\$ 142,865,000	\$ 37,660,000
Compensated Absences	955,504	841,313	799,905	996,912	801,000
Total governmental activity long-term liabilities	<u>\$ 135,620,504</u>	<u>\$ 44,741,313</u>	<u>\$ 36,499,905</u>	<u>\$ 143,861,912</u>	<u>\$ 38,461,000</u>

Payments on bonds are made by the debt service fund from property tax collections. Compensated absences are generally liquidated by the general fund.

Bonds payable at June 30, 2015 are composed of the following individual general obligation bond issues:

Issue Amount	Purpose	Issue Date	Annual Payment	Final Payment	Maturity Date	Interest Rates	Outstanding at June 30, 2015
13,640,000	Building	7/1/2010	3,410,000	3,410,000	7/1/2015	1%-3%	3,410,000
20,500,000	Combined	3/1/2011	5,125,000	5,125,000	3/1/2016	.5%-3%	5,125,000
9,400,000	Building	8/1/2011	2,350,000	2,350,000	8/1/2016	1.5%-2%	4,700,000
23,380,000	Combined	3/1/2012	5,845,000	5,845,000	3/1/2017	.05%-2%	11,690,000
12,160,000	Building	8/1/2012	3,040,000	3,040,000	8/1/2017	.05%-2.5%	9,120,000
26,560,000	Combined	3/1/2013	6,640,000	6,640,000	3/1/2018	1.25%-1.5%	19,920,000
14,400,000	Building	8/1/2013	3,600,000	3,600,000	8/1/2018	2.00%	14,400,000
30,600,000	Building	3/1/2014	7,650,000	7,650,000	3/1/2019	1.0%-2.0%	30,600,000
8,440,000	Combined	8/1/2014	2,110,000	2,110,000	8/1/2019	1.0%-2.0%	8,440,000
35,460,000	Combined	3/1/2015	8,865,000	8,865,000	3/1/2020	2.00%	35,460,000
							<u>\$ 142,865,000</u>

As of June 30, 2015, the annual requirements to amortize all bond debt outstanding, including interest payments, are as follows:

Year Ending June 30	Principal	Interest	Total Bonds Debt Service
2016	\$ 37,660,000	\$ 2,490,163	\$ 40,150,163
2017	40,100,000	1,819,900	41,919,900
2018	31,905,000	1,123,712	33,028,712
2019	22,225,000	606,900	22,831,900
2020	10,975,000	198,400	11,173,400
	<u>\$ 142,865,000</u>	<u>\$ 6,239,075</u>	<u>\$ 149,104,075</u>



EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 3 -- Long-term Liabilities (continued)

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue. General obligation bonded debt of the District is limited by state law to 10% of the assessed valuation of the District. The legal debt limit at June 30, 2015 is approximately \$163,868,084.

Proceeds of general obligation bond issues are recorded in the Capital Projects Fund and at least 85% of the proceeds are restricted to the use for which they were approved in the bond elections.

*Pledged Revenues* – Property tax revenues collected by the District are pledged to repay the District's General Obligation Bonds. The principal and interest paid on general obligations with the pledged revenues in current year was \$35,700,000 and \$2,366,600, respectively. As of June 30, 2015, \$142,865,000 general obligations were outstanding and \$55,200,000 of general obligations bonds were authorized but not issued.

Subsequent to year end, the District issued an additional \$9,600,000 in bonds, leaving \$45,600,000 voter approved unissued general obligation bonds.

Note 4 -- Employee Retirement System

Teachers' Retirement System of Oklahoma

*Plan Description* - The District contributes to the state-administered Oklahoma Teachers' Retirement System ("TRS"), a cost-sharing, multiple-employer public employee retirement system. The System is administered by a board of trustees. TRS provides retirement, disability and death benefits to plan members and beneficiaries. Oklahoma State Statute 70-17 assigns the authority to establish and amend benefit provisions to the TRS Board of Trustees. The System issues a publicly available report that includes financial statements and required supplementary information for TRS. That report may be obtained by contacting the Oklahoma Teachers' Retirement System.

*Benefits Provided* – The System provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O.S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature. Benefit provisions include

- After five years of credited service, members become 100% vested in benefits earned to date.
- Members who joined the System prior to July 1, 1992 are eligible to retire at maximum benefits at the earlier of age 62 or when age and years of creditable service total 80. Members joining from July 1, 1992 to October 31, 2011 are eligible for maximum benefits at the earlier of age 62 or when their age and years of creditable service total 90. Members who joined the System on or after November 1, 2011 are eligible to retire with maximum benefits at the earlier of age 65 or when their age and years of creditable service total 90 as long as their age is at least 60.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 4 -- Employee Retirement System (continued)

- The maximum retirement benefit is 2% of final average compensation times the number of years of credited service. Reduced benefits are available at age 55 for members joining prior to November 1, 2011 or age 60 for members joining after October 31, 2011. Reduction factors vary depending on age and date of membership when joining the System.
- Final average compensation for members who joined the System prior to July 1, 1992 is defined as the average salary for three highest year of contributing compensation. For members joining the System after June 30, 1992 final average compensation is defined as the average of the five highest consecutive years of contributing compensation. Prior to July 1, 1995 all contributions were limited to salary caps of \$40,000 or \$25,000 depending on the member's election. Salary caps were removed starting July 1, 1995.
- Upon death, the designated beneficiary of a member who has not retired shall receive total contributions plus 100% of interest earned through the end of the fiscal year, with interest rates varying based on time of service. The surviving spouse may elect to receive the retirement benefit of the member, in lieu of the aforementioned benefits.
- Upon death of a retired member, the System will pay \$5,000 to the designated beneficiary in addition to the benefits provided by the retirement option selected by the member.
- A member is eligible for disability benefits after 10 years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable years of credited service.
- Upon withdrawal from the system, a member's contributions are refundable with interest, based on the years of service.

*Funding Policy* –Under the System, contributions are made by the District, the State of Oklahoma, and the participating employees. Participation is required for all teachers and other certified employees and is optional for all other regular employees of public educational institutions who work at least 20 hours per week.

The contribution rates for the District and its employees, which are not actuarially determined, are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The District is required by statute to contribute 9.5% of applicable compensation for the year ended June 30, 2015. Plan members are required to contribute 7% of their annual covered salary. The District pays full-time employees' contributions as allowed by statute.

For the year ended June 30, 2015, qualifying employee contributions were reduced by a retirement credit of \$962,274 provided by Enrolled House Bill 1873 and paid by the State of Oklahoma as on-behalf payments. The government-wide financial statements include amounts representing on-behalf payments made to the System by the State of Oklahoma. These payments do not represent a direct or indirect payment of the District.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 4 -- Employee Retirement System (continued)

The District's contributions to TRS (net of retirement credit paid by the State of Oklahoma) for the years ended June 30, 2015, 2014, and 2013 were \$14,869,886, \$15,022,955, and \$14,542,306, respectively, equal to the required contributions for each year.

*Pension Reporting* – GASB Statement 68, effective for fiscal years beginning after June 15, 2014, created new pension reporting standards for plans administered through trusts that have certain characteristics. In the District's opinion, statutory language and case law place the pension obligation for TRS on the State of Oklahoma. Under GASB 68, in financial statements prepared using the economic resources measurement focus and accrual basis of accounting, a cost-sharing employer that does not have a special funding situation is required to recognize a liability for its proportionate share of the net pension liability. Since the District does not present financial statements using the economic resources measurement focus and accrual basis of accounting, the deferred outflows and inflows of resources and pension liability are not included in the district's financial statements. In the District's opinion, there is no legal or factual way in Oklahoma for a school district to pay for any portion of the ultimate pension. According to TRS calculations, the amount of allocated pension liability attributable to the District for the year ended June 30, 2014 (the most current information available, which is the measurement date) was \$124,597,453.

Note 5 -- 403(b) Retirement Savings Plan

The District sponsors a 403(b) retirement savings plan in which all employees of the District are eligible to participate. Internal Revenue Code Section 403(b) annuity contracts are a "private" retirement vehicle available to public school district employees. The annuity contracts supplement and are separate from the Oklahoma Teachers' Retirement System. Annuity contracts and 403(b) contributions are tax deferred and are funded through elective pre-income tax deductions up to limits set by federal law. The District does not make contributions into the plan. Participants may choose their investment provider from a list of approved investment providers under the plan. The plan provides for withdrawals only upon attainment of age 59½, severance from employment, total and permanent disability, death, a "qualified reservist" distribution, or financial hardship as defined by the plan. The district has contracted a third party administrator to provide administrative services. The agreement provides for a charge of \$12 per year for each participant, to be paid by the participants.

Note 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 and natural disasters. For occurrences prior to April 9, 2014 the District was covered under commercial insurance policies. Effective April 9, 2014, the District joined a joint self-insurance trust whose members consist of school districts in the state of Oklahoma for the purpose of insuring against property, general liability and automobile/fleet losses. Cash from member contributions and investment earnings is used to pay claims. The trust purchases reinsurance through a commercial insurer to limit its maximum loss and minimize exposure on larger risks. There have been no significant reductions in coverage from the prior year and insurance settlements have not exceeded coverage in the past three years.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 7 -- 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.

The District is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the District believes the resolution of these matters will not have a material adverse effect on the financial condition of the District. Should a judgment be awarded against the District, it would be levied through the District's sinking fund over a three-year period pursuant to state law.

The District has outstanding construction commitments as of June 30, 2015:

	Construction Commitments
2015 A Bond Fund	\$ 22,495,251
Other Governmental Funds	16,741,896
Total	<u>\$ 39,237,147</u>

Note 8 -- Schedule of Transfers

Transfer From	Transfer To	Amount	Nature of Transfer
Child Nutrition Fund	General Fund	\$3,871,150	Operating Transfer for Payroll
Student Activity Fund	General Fund	1,682,450	Operating Transfer
Student Activity Fund	Child Nutrition Fund	2,603	Operating Transfer
Student Activity Fund	Student Activity Fund	220,890	Operating Transfer
Child Nutrition Fund	Child Nutrition Fund	4,025	Operating Transfer
Debt Service Fund	Building Fund	97,113	Operating Transfer
2011A Bond Fund	Bond Residual Fund	662,861	Operating Transfer
2011 B Bond Fund	Bond Residual Fund	39,217	Operating Transfer
		<u>\$6,580,309</u>	

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 9 -- Capital Assets

Capital Asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Government Activities:</i>				
<i>Capital assets, not being depreciated</i>				
Land	\$ 12,568,477	\$ 1,306,284	\$ -	\$ 13,874,761
Construction in progress	47,828,649	31,699,531	41,875,349	37,652,831
Total capital assets, not being depreciated	<u>\$ 60,397,126</u>	<u>\$ 33,005,815</u>	<u>\$ 41,875,349</u>	<u>\$ 51,527,592</u>
<i>Capital assets, being depreciated</i>				
Buildings	\$ 364,405,753	\$ 41,740,593	\$ -	\$ 406,146,346
Furniture and Equipment	1,801,963	52,300	12,500	1,841,763
Musical Instruments	761,219	50,782	-	812,001
Equipment	15,651,222	1,291,917	13,200	16,929,939
Vehicles	12,714,976	1,011,116	692,338	13,033,754
Total capital assets, being depreciated	<u>\$ 395,335,133</u>	<u>\$ 44,146,708</u>	<u>\$ 718,038</u>	<u>\$ 438,763,803</u>
Less Accumulated Depreciation	<u>124,144,232</u>	<u>11,572,445</u>	<u>717,257</u>	<u>134,999,420</u>
Total capital assets, being depreciated, net	<u>\$ 271,190,901</u>	<u>\$ 32,574,263</u>	<u>\$ 781</u>	<u>\$ 303,764,383</u>
Governmental activities capital assets, net	<u>331,588,027</u>	<u>65,580,078</u>	<u>41,876,130</u>	<u>355,291,975</u>
<b>Total Primary Government</b>	<u><b>\$ 331,588,027</b></u>	<u><b>\$ 65,580,078</b></u>	<u><b>\$ 41,876,130</b></u>	<u><b>\$ 355,291,975</b></u>

Note 10 – Subsequent Events

Subsequent to the fiscal year end, the District issued the second installment of bonds from the February 10, 2015 bond election. Voters in the District approved the issuance of bonds totaling \$90,660,000, to be issued in four series over a two-year period. The bond issues provide for construction of the 8<sup>th</sup> grade wing, practice gym/storm shelter, parking and tennis courts at Heartland Middle School; stadium upgrades at Santa Fe High School; tennis courts and lockers at Memorial High School and North High School; and additions that double as storm shelters at several schools to include: multi-purpose rooms at Clyde Howell Early Childhood Center, Clegern Elementary and Russell Dougherty Elementary; media centers at Ida Freeman Elementary, Orvis Risner Elementary and Sunset Elementary; classrooms at John Ross Elementary, Frontier Elementary, Heritage Elementary and Santa Fe High School; and a band room at Memorial High School. In addition to the construction projects, the bond included funding for land purchase for a future elementary/middle school; parking and road improvements at Charles Haskell Elementary, Summit Middle School, Sequoyah Middle School, Will Rogers Elementary and Memorial High School; and playground installations at Clyde Howell Early Childhood Center, Russell Dougherty Elementary, Sunset Elementary and Cross Timbers Elementary. Bond proceeds will also be used for improvements to existing facilities as well as transportation and equipment purchases. The first installment in the amount of \$35,460,000 was issued in March 2015, and the second installment of \$9,600,000 was issued in August 2015. The third installment of \$33,520,000 is scheduled for March 2016, and the fourth installment of \$12,080,000 is scheduled for August 2016. Construction commitments subsequent to year end totaled \$12,384,000 in the 2015A bond fund.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2015

Note 10 – Subsequent Events (continued)

On September 5, 2015 a sewer line broke under the floor in the cafeteria kitchen at North High School causing damage totaling approximately \$950,000. Remediation and repair work is now complete. The entire loss was covered by insurance with the exception of the insurance deductible of \$10,000 and the actual broken pipe which cost approximately \$20,000 to replace. Insurance claims have been filed and \$250,000 has been received from Oklahoma Schools Risk Management Trust. The balance of the claim will be paid after it is processed by the reinsurance carrier.

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**OTHER SUPPLEMENTARY INFORMATION**

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Budgetary Comparison Schedule –General Fund (Unaudited) – Regulatory Basis  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUE</b>				
Property Taxes	\$ 55,008,574	\$ 55,008,574	\$ 60,303,513	\$ 5,294,939
Interest	69,000	69,000	57,514	(11,486)
County Revenue	5,730,407	5,730,407	5,908,557	178,150
State Revenue	56,960,497	56,960,497	57,993,760	1,033,263
Federal Revenue	6,645,800	6,645,800	6,888,913	243,113
Other	<u>6,464,500</u>	<u>6,464,500</u>	<u>6,459,061</u>	<u>(5,439)</u>
Total Revenue	<u>\$ 130,878,778</u>	<u>\$ 130,878,778</u>	<u>\$ 137,611,318</u>	<u>\$ 6,732,540</u>
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 86,300,981	\$ 86,300,981	82,744,407	\$ 3,556,574
Support Services	46,468,629	46,468,629	45,206,945	1,261,684
Non-instruction Services	6,348,346	6,348,346	6,404,612	(56,266)
Other Outlays	<u>3,389,342</u>	<u>3,389,342</u>	<u>20,735</u>	<u>3,368,607</u>
Total Expenditures	<u>\$ 142,507,298</u>	<u>\$ 142,507,298</u>	<u>\$ 134,376,699</u>	<u>\$ 8,130,599</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (11,628,520)	\$ (11,628,520)	\$ 3,234,619	\$ 14,863,139
Budgetary Fund Balance - Beginning	<u>11,628,520</u>	<u>11,628,520</u>	<u>11,628,520</u>	<u>-</u>
Budgetary Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,863,139</u>	<u>\$ 14,863,139</u>



EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Budgetary Comparison Schedule – Other Appropriated Funds (unaudited) – Regulatory Basis  
For the Year Ended June 30, 2015

	Building Fund		Child Nutrition Fund		Debt Service Fund	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
<b>REVENUE</b>						
Property Taxes	\$ 7,893,780	\$ 8,608,664	\$ -	\$ -	\$ 37,517,410	39,251,792
Interest	16,000	9,103	8,000	5,931	-	202,345
State Revenue	200	210	107,900	108,698	-	957
Federal Revenue	-	-	2,806,541	2,859,075	-	-
Other	<u>113,900</u>	<u>104,784</u>	<u>4,740,386</u>	<u>4,463,703</u>	<u>-</u>	<u>(1,250,677)</u>
Total Revenue	<u>\$ 8,023,880</u>	<u>\$ 8,722,761</u>	<u>\$ 7,662,827</u>	<u>\$ 7,437,407</u>	<u>\$ 37,517,410</u>	<u>\$ 38,204,417</u>
<b>EXPENDITURES</b>						
Current						
Instruction	\$ 240,835	\$ 172,456	\$ -	\$ -	\$ -	\$ -
Support Services	9,550,644	9,084,060	-	-	-	-
Non-instruction Services	13,186	117,094	7,954,163	3,777,816	-	-
Capital Outlay	330,335	231,461	-	-	-	-
Other Outlays	<u>3,158,624</u>	<u>1,403</u>	<u>2,528,733</u>	<u>3,868,547</u>	<u>4,423</u>	<u>4,423</u>
Debt Service						
Interest Paid	-	-	-	-	2,347,942	2,366,600
Principal Retirement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,660,000</u>	<u>35,700,000</u>
Total Expenditures	<u>\$ 13,293,624</u>	<u>\$ 9,606,474</u>	<u>\$ 10,482,896</u>	<u>\$ 7,646,363</u>	<u>\$ 40,012,365</u>	<u>\$ 38,071,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,269,744)	(883,713)	(2,820,069)	(208,956)	(2,494,955)	133,394
Net Change in Fund Balance	(5,269,744)	(883,713)	(2,820,069)	(208,956)	(2,494,955)	133,394
Budgetary Fund Balance - Beginning	<u>5,269,744</u>	<u>5,439,681</u>	<u>2,820,069</u>	<u>2,878,115</u>	<u>2,494,955</u>	<u>2,494,955</u>
Budgetary Fund Balance - Ending	<u>\$ -</u>	<u>\$ 4,555,968</u>	<u>\$ -</u>	<u>\$ 2,669,159</u>	<u>\$ -</u>	<u>\$ 2,628,349</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Combining Balance Sheet– Other Governmental Funds – Regulatory Basis  
For the Year Ended June 30, 2015

	Other Special Revenue Funds						Total Other Capital Project Funds	Total Other Governmental Funds
	Building	MAPS	Child Nutrition	Activity	Gift	Total		
<b>Assets</b>								
Cash and Cash Investments	\$ 4,842,063	\$ 360,639	\$ 2,673,119	\$ 3,497,805	\$ 63,624	\$ 11,437,250	\$ 26,597,731	\$ 38,034,981
Inventory	276,514	-	59,356	-	-	335,870	-	335,870
<b>Total Assets</b>	<u>\$ 5,118,577</u>	<u>\$ 360,639</u>	<u>\$ 2,732,475</u>	<u>\$ 3,497,805</u>	<u>\$ 63,624</u>	<u>\$ 11,773,120</u>	<u>\$ 26,597,731</u>	<u>\$ 38,370,851</u>
<b>Liabilities</b>								
Warrants Outstanding	\$ 226,916	\$ 35,699	\$ 12,632	\$ 80,904	\$ 779	\$ 356,930	\$ 288,792	\$ 645,722
Vendor Obligations Payable	335,693	-	50,684	-	2,922	389,299	1,298	390,597
<b>Total Liabilities</b>	<u>\$ 562,609</u>	<u>\$ 35,699</u>	<u>\$ 63,316</u>	<u>\$ 80,904</u>	<u>\$ 3,701</u>	<u>\$ 746,229</u>	<u>\$ 290,090</u>	<u>\$ 1,036,319</u>
<b>Fund Balances</b>								
Nonspendable	\$ 276,514	\$ -	\$ 59,356	\$ -	\$ -	\$ 335,870	\$ -	\$ 335,870
Restricted	4,279,454	324,940	-	-	59,923	4,664,317	23,996,528	28,660,845
Committed	-	-	2,609,803	3,416,901	-	6,026,704	-	6,026,704
Assigned	-	-	-	-	-	-	2,311,113	2,311,113
<b>Total Fund Balances</b>	<u>4,555,968</u>	<u>324,940</u>	<u>2,669,159</u>	<u>3,416,901</u>	<u>59,923</u>	<u>11,026,891</u>	<u>26,307,641</u>	<u>37,334,532</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,118,577</u>	<u>\$ 360,639</u>	<u>\$ 2,732,475</u>	<u>\$ 3,497,805</u>	<u>\$ 63,624</u>	<u>\$ 11,773,120</u>	<u>\$ 26,597,731</u>	<u>\$ 38,370,851</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
– Other Governmental Funds– Regulatory Basis  
For the Year Ended June 30, 2015

	Other Special Revenue Funds						Total Other Capital Project Funds	Total Other Governmental Funds
	Building	MAPS	Child Nutrtn	Activity	Gift	Total		
<b>REVENUE</b>								
Property Taxes	\$ 8,608,664	\$ 464,589	\$ -	\$ -	\$ -	\$ 9,073,253	\$ -	\$ 9,073,253
Interest	9,103	331	5,931	8,304	125	23,794	124,430	148,224
State Revenue	210	-	108,699	-	-	108,909	-	108,909
Federal Revenue	-	-	2,859,075	-	-	2,859,075	-	2,859,075
Other	7,671	-	4,463,702	8,236,094	31,447	12,738,914	5,200	12,744,114
Total Revenue	<u>\$ 8,625,648</u>	<u>\$ 464,920</u>	<u>\$ 7,437,407</u>	<u>\$ 8,244,398</u>	<u>\$ 31,572</u>	<u>\$ 24,803,945</u>	<u>\$ 129,630</u>	<u>\$ 24,933,575</u>
<b>EXPENDITURES</b>								
Current								
Instruction	\$ 172,456	\$ -	\$ -	910,639	38,790	1,121,885	\$ 1,370,033	\$ 2,491,918
Support Services	9,084,060	5,457	-	3,663,315	9,532	12,762,364	4,230,061	16,992,425
Non-instruction Services	117,094	-	3,777,816	1,812,345	-	5,707,255	23,222	5,730,477
Capital Outlay	231,461	139,977	-	3,949	-	375,387	\$ 31,138,576	31,513,963
Other Outlays	1,403	-	-	489	-	1,892	100	1,992
Total Expenditures	<u>\$ 9,606,474</u>	<u>\$ 145,434</u>	<u>\$ 3,777,816</u>	<u>\$ 6,390,737</u>	<u>\$ 48,322</u>	<u>\$ 19,968,783</u>	<u>\$ 36,761,992</u>	<u>\$ 56,730,775</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(980,826)	319,486	3,659,591	1,853,661	(16,750)	4,835,162	(36,632,362)	(31,797,200)
Other Financing Sources								
Transfers In	97,113	-	6,628	220,890	-	324,631	702,078	1,026,709
Transfers Out	-	-	(3,875,175)	(1,905,891)	(22)	(5,781,088)	(702,078)	(6,483,166)
Proceeds of Bonds	-	-	-	-	-	-	8,440,000	8,440,000
Total Other Financing Sources	<u>97,113</u>	<u>-</u>	<u>(3,868,547)</u>	<u>(1,685,001)</u>	<u>(22)</u>	<u>(5,456,457)</u>	<u>8,440,000</u>	<u>2,983,543</u>
Net Change in Fund Balances	(883,713)	319,486	(208,956)	168,660	(16,772)	(621,295)	(28,192,362)	(28,813,657)
Fund Balances, Beginning	5,439,681	5,454	2,878,115	3,248,241	76,695	11,648,186	54,500,003	66,148,189
Fund Balances, Ending	<u>\$ 4,555,968</u>	<u>\$ 324,940</u>	<u>\$ 2,669,159</u>	<u>\$ 3,416,901</u>	<u>\$ 59,923</u>	<u>\$ 11,026,891</u>	<u>\$ 26,307,641</u>	<u>\$ 37,334,532</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Combining Balance Sheet – Other Capital Project Funds– Regulatory Basis  
For the Year Ended June 30, 2015

	2011A Bond	2011B Bond	2012A Bond	2012B Bond	2013A Bond	2013B Bond	2014A Bond	2014B Bond	Bond Residual	Total Other Capital Project Funds
<b>Assets</b>										
Cash and Cash Investments	\$ -	\$ -	\$ 955,833	\$ 567,406	\$ 2,050,402	\$ 1,336,715	\$ 13,115,826	\$ 5,667,492	\$ 2,904,057	\$ 26,597,731
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 955,833</b>	<b>\$ 567,406</b>	<b>\$ 2,050,402</b>	<b>\$ 1,336,715</b>	<b>\$ 13,115,826</b>	<b>\$ 5,667,492</b>	<b>\$ 2,904,057</b>	<b>\$ 26,597,731</b>
<b>Liabilities</b>										
Warrants Outstanding	\$ -	\$ -	\$ 55,039	\$ 73,857	\$ -	\$ 2,331	\$ 4,125	\$ 27,678	\$ 125,762	\$ 288,792
Vendor Obligations Payable	-	-	-	-	-	-	-	1,298	-	1,298
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,039</b>	<b>\$ 73,857</b>	<b>\$ -</b>	<b>\$ 2,331</b>	<b>\$ 4,125</b>	<b>\$ 28,976</b>	<b>\$ 125,762</b>	<b>\$ 290,090</b>
<b>Fund Balances</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	849,496	466,812	2,011,631	1,308,302	13,087,253	5,638,516	634,518	23,996,528
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	51,298	26,737	38,771	26,082	24,448	-	2,143,777	2,311,113
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>900,794</b>	<b>493,549</b>	<b>2,050,402</b>	<b>1,334,384</b>	<b>13,111,701</b>	<b>5,638,516</b>	<b>2,778,295</b>	<b>26,307,641</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 955,833</b>	<b>\$ 567,406</b>	<b>\$ 2,050,402</b>	<b>\$ 1,336,715</b>	<b>\$ 13,115,826</b>	<b>\$ 5,667,492</b>	<b>\$ 2,904,057</b>	<b>\$ 26,597,731</b>

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
– Other Capital Project Funds – Regulatory Basis  
For the Year Ended June 30, 2015

	2011A Bond	2011B Bond	2012A Bond	2012B Bond	2013A Bond	2013B Bond	2014A Bond	2014 B Bond	Bond Residual	Total Other Capital Project Funds
<b>REVENUE</b>										
Interest	\$ -	\$ -	\$ 2,307	\$ 1,209	12,268	\$ 8,877	\$ 77,370	\$ 14,605	\$ 7,794	\$ 124,430
Other	-	-	-	-	-	100	-	-	5,100	5,200
Total Revenue	\$ -	\$ -	\$ 2,307	\$ 1,209	\$ 12,268	\$ 8,977	\$ 77,370	\$ 14,605	\$ 12,894	\$ 129,630
<b>EXPENDITURES</b>										
Current										
Instruction	\$ -	\$ -	\$ 36,455	\$ 184	\$ 326,894	\$ 24,668	\$ 647,115	\$ 327,074	\$ 7,643	\$ 1,370,033
Support Services	-	-	109,295	94,286	99,842	590,742	1,611,696	1,409,622	314,578	4,230,061
Non-instruction Services	-	-	-	-	-	-	-	23,222	-	23,222
Capital Outlay	-	-	404,339	296,357	5,335,827	9,947,699	13,722,978	1,056,171	375,205	31,138,576
Other Outlays	-	-	-	-	-	100	-	-	-	100
Total Expenditures	\$ -	\$ -	\$ 550,089	\$ 390,827	\$ 5,762,563	\$ 10,563,209	\$ 15,981,789	\$ 2,816,089	\$ 697,426	\$ 36,761,992
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(547,782)	(389,618)	(5,750,295)	(10,554,232)	(15,904,419)	(2,801,484)	(684,532)	(36,632,362)
Other Financing Sources										
Transfers In	-	-	-	-	-	-	-	-	702,078	702,078
Transfers Out	(662,861)	(39,217)	-	-	-	-	-	-	-	(702,078)
Proceeds of Bonds	-	-	-	-	-	-	-	8,440,000	-	8,440,000
Total Other Financing Sources	\$ (662,861)	\$ (39,217)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,440,000	\$ 702,078	\$ 8,440,000
Net Change in Fund Balances	(662,861)	(39,217)	(547,782)	(389,618)	(5,750,295)	(10,554,232)	(15,904,419)	5,638,516	17,546	(28,192,362)
Fund Balances, Beginning	662,861	39,217	1,448,576	883,167	7,800,697	11,888,616	29,016,120	-	2,760,749	54,500,003
Fund Balances, Ending	\$ -	\$ -	\$ 900,794	\$ 493,549	\$ 2,050,402	\$ 1,334,384	\$ 13,111,701	\$ 5,638,516	\$ 2,778,295	\$ 26,307,641

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Combining Statement of Assets and Fund Balances  
– Activity Fund  
For the Year Ended June 30, 2015

ASSETS	Balance 6/30/14	Total Receipts	Total Disbursements	Balance 6/30/15
Activities:				
Academic Team	\$5,335	\$13,754	\$15,270	\$3,819
Advanced Placement/Enrichment	77,527	255,478	232,780	100,225
Alternative School	4,655	3,824	3,534	4,945
Art	14,472	57,859	52,707	19,624
Athletics	293,452	1,118,219	1,070,550	341,121
Before/After School Programs	1,187,050	2,131,248	2,092,961	1,225,337
Central Office	93,062	91,104	150,074	34,092
Charitable/Community/Service	21,779	939,090	941,538	19,331
Cheerleading/Pom/Pep	24,206	198,542	158,112	64,636
Chess Club	5,267	32,940	33,139	5,068
Concessions/Vending	367,918	279,628	336,613	310,933
Donations/Grants	29,275	205,902	124,231	110,946
Drama/Debate/Speech	17,477	43,581	31,840	29,218
Driver Education	590	18,930	19,225	295
Ethnic Heritage Clubs	2,711	2,335	1,996	3,050
Faculty	6,605	504	587	6,522
FBLA/DECA	44,157	174,041	191,324	26,874
FCCLA-Family, Career & Community Leaders	4,776	26,787	25,367	6,196
FFA Future Farmers of America	25,204	179,967	179,229	25,942
Foreign Language Clubs	18,478	20,998	23,433	16,043
Freshman Class	1,423	-	-	1,423
General Activity	297,350	617,536	627,128	287,758
Home Arts/Technology Ed/Wood Tech	20,246	61,369	62,063	19,552
Interest	53,147	7,733	6,381	54,499
Junior Class	66,988	39,069	29,665	76,392
Math Club	1,473	375	396	1,452
Media Center	76,504	147,305	142,837	80,972
Music	117,424	752,441	730,888	138,977
Musical Productions	68,806	108,368	106,493	70,681
National Forensic League	3,974	18,465	16,702	5,737
National Honor Society	7,278	16,801	14,617	9,462
Newspaper	976	2,763	2,343	1,396
Parking	240	137,095	137,215	120
Photo Lab	13,198	20,199	18,847	14,550
Prom Fund	5,012	22,743	20,956	6,799
PSAT Counselor	27,586	28,598	39,230	16,954
Refunds	2,963	45,913	46,014	2,862
Robotics Team	12,056	20,540	23,664	8,932
ROTC	112	7,390	4,395	3,107
Scholarships	23,763	50,917	38,314	36,366
Science/Environmental	7,027	7,173	7,245	6,955
Senior Class	9,247	27,695	24,619	12,323
Sophomore Class	350	2,325	2,258	417
Special Education	7,972	12,241	10,029	10,184
Special Projects	8,659	55,678	57,718	6,619
Student Council	28,800	125,751	129,611	24,940
Summer School	17,546	114,886	115,439	16,993
Writing	1,879	1,774	1,975	1,678
Yearbook	119,483	203,623	180,680	142,426
Young Democrats/Republicans/Government	2,763	13,791	14,396	2,158
<b>Total Assets</b>	<b>\$3,248,241</b>	<b>\$8,465,288</b>	<b>\$8,296,628</b>	<b>\$3,416,901</b>
<b>FUND BALANCES</b>				
Designated for School Organizations	\$ 3,248,241	\$ 8,465,288	\$ 8,296,628	\$ 3,416,901
<b>Total Fund Balances</b>	<b>\$ 3,248,241</b>	<b>\$ 8,465,288</b>	<b>\$ 8,296,628</b>	<b>\$ 3,416,901</b>

Basis of Presentation

The above schedule and format is required by the Oklahoma State Department of Education and is not intended to represent a financial statement in accordance with accounting principles prescribed by the Oklahoma State Department of Education.

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Project Number	Balance 6/30/14	Federal Grant Receipts	Federal Grant Expenditures	Balance 6/30/15
<u>U.S. Department of Education</u>						
Direct Programs						
Indian Education, Grants to Local Educational Agencies	84.060	561	\$ (39,323)	\$ 231,788	\$ 222,479	\$ (30,014)
Passed Through Oklahoma Department of Career and Technology Education						
Vocational Education - Basic Grant to States	84.048	421/424	\$ (74,585)	\$ 145,371	\$ 159,753	\$ (88,967)
Passed Through Oklahoma State Department of Education						
Title I, Improving Basic Programs	84.010	511/512/518	\$ (436,852)	\$ 1,972,180	\$ 1,911,009	\$ (375,681)
Title I Cluster			\$ (436,852)	\$ 1,972,180	\$ 1,911,009	\$ (375,681)
Special Education - Grants to States	84.027	615/621/ 623/625	\$ (814,099)	\$ 3,872,558	\$ 3,880,941	\$ (822,482)
Special Education - Preschool Grants	84.173	641/642	(13,978)	80,132	80,331	(14,177)
Special Education Cluster			\$ (828,077)	\$ 3,952,690	\$ 3,961,272	\$ (836,659)
Title II, Part A Teacher and Principal Training and Recruiting Fund	84.367	541	\$ (60,999)	\$ 262,007	\$ 229,805	\$ (28,797)
Mathematics and Science Partnerships	84.366	544/545	\$ -	\$ 10,108	\$ 10,108	\$ -
Part A, English Language Acquisition, Language Enhancement and Academic Achievement	84.365	571/572	\$ (2,297)	\$ 163,986	\$ 174,212	\$ (12,523)
Passed Through Oklahoma Department of Rehabilitation Services						
Job Training	84.126	456	\$ 57,542	\$ 12,936	\$ 9,609	\$ 60,869
Total U.S. Department of Education			\$ (1,384,591)	\$ 6,751,066	\$ 6,678,247	\$ (1,311,772)
<u>U.S. Department of Health and Human Services</u>						
Passed through the Oklahoma Health Care Authority						
Medical Assistance Program	93.778	698	\$ 28,604	\$ -	\$ 24,041	\$ 4,563
<u>U.S. Department of the Interior</u>						
Direct Programs						
Indian Education - Assistance to Schools						
Johnson O'Malley Program	15.130	563/564	\$ 15,314	\$ 36,146	\$ 16,125	\$ 35,335
<u>U.S. Department of Agriculture</u>						
Passed through the Oklahoma State Department of Education						
Breakfast Program	10.553	764	\$ -	\$ 556,163	\$ 556,163	\$ -
Lunch Program	10.555	763	-	2,274,657	2,274,657	-
Summer Food Program	10.559	766	-	28,255	28,255	-
Child Nutrition Cluster			\$ -	\$ 2,859,075	\$ 2,859,075	\$ -
Passed through the Oklahoma Department of Human Services						
Lunch Program	10.555		\$ 23,767	\$ 413,697	\$ 403,948	\$ 33,516
Summer Food Program	10.559		239	5,139	5,018	360
Total U.S. Department of Agriculture			\$ 24,006	\$ 3,277,911	\$ 3,268,041	\$ 33,876
Total Expenditures of Federal Awards			\$ (1,316,667)	\$ 10,065,123	\$ 9,986,454	\$ (1,237,998)

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

*Basis of Presentation:* The schedule of expenditures of federal awards includes the federal grant activity of Edmond Independent School District No.12 Oklahoma County, Oklahoma. The schedule of expenditures of federal awards is prepared using cash receipts and disbursements basis. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statement. Nonmonetary assistance is reported in the schedule at the fair market value of commodities received.



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## **OTHER INFORMATION**

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Statement of Statutory Fidelity and Honesty Bonds (unaudited)  
For the Year Ended June 30, 2015

<u>Type</u>	<u>Amount</u>	<u>Number</u>	<u>Company</u>	<u>Effective Date</u>
Superintendent	\$ 100,000	5056725	The Ohio Casualty Insurance Company	7/1/14-6/30/15
Treasurer	\$ 500,000	3863216	The Ohio Casualty Insurance Company	7/1/14-6/30/15
Assistant Treasurer	\$ 500,000	87C002416	The Ohio Casualty Insurance Company	7/1/14-6/30/15
Public Employee not individually bonded	\$ 100,000	3884485	The Ohio Casualty Insurance Company	7/1/14-6/30/15



**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***

To the Board of Education  
Edmond Independent School District No.12, Oklahoma County, Oklahoma  
Edmond, Oklahoma

We have audited, in accordance with the 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Edmond Independent School District No.12, Oklahoma County, Oklahoma, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Edmond Independent School District No.12, Oklahoma County, Oklahoma’s basic financial statements and have issued our report thereon dated January 25, 2016. Our opinions were modified because the District prepares its financial statements on a prescribed regulatory basis of accounting.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Edmond Independent School District No.12, Oklahoma County, Oklahoma’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 Edmond Independent School District No.12, Oklahoma County, Oklahoma’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Edmond Independent School District No.12, Oklahoma County, Oklahoma’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.

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Our consideration of internal control over financial reporting 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 Edmond Independent School District No.12, Oklahoma County, Oklahoma'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*.

### **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.

*Rahhal Henderson Johnson, PLLC*

Ardmore, Oklahoma  
January 25, 2016



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

To the Board of Education  
Edmond Independent School District No.12, Oklahoma County, Oklahoma  
Edmond, Oklahoma

**Report on Compliance for Each Major Federal Program**

We have audited Edmond Independent School District No.12, Oklahoma County, Oklahoma'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 Edmond Independent School District No.12, Oklahoma County, Oklahoma's major federal programs for the year ended June 30, 2015. Edmond Independent School District No.12, Oklahoma County, Oklahoma'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 Edmond Independent School District No.12, Oklahoma County, Oklahoma'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 Edmond Independent School District No.12, Oklahoma County, Oklahoma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 Edmond Independent School District No.12, Oklahoma County, Oklahoma's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Edmond Independent School District No.12, Oklahoma County, Oklahoma, 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 Edmond Independent School District No.12, Oklahoma County, Oklahoma, 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 Edmond Independent School District No.12, Oklahoma County, Oklahoma'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 Edmond Independent School District No.12, Oklahoma County, Oklahoma's internal control over compliance.

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

Our consideration of internal control over compliance was 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 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.

*Rahhal Henderson Johnson, PLLC*

Ardmore, Oklahoma  
January 25, 2016

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2015

**Section I Summary of Auditor's Results**

**Financial Statements:**

Type of audit report:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant Deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None Reported
Noncompliance material to financial statement	_____ Yes	_____ <u>X</u> No

**Federal Awards:**

Internal control over major program:		
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant Deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None Reported

Type of auditors' report issued on compliance for major programs:		Unmodified
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Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_____ Yes	_____ <u>X</u> No
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Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.027; 84.173	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between Type A and Type B programs:	\$	300,000
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Auditee qualified as a low-risk auditee?	_____ <u>X</u> Yes	_____ No
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EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2015

**Section II – Financial Statement Findings**

None.

**Section III – Federal Award Findings and Questioned Costs**

None.



EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Summary Schedule of Prior Year Findings  
Year Ended June 30, 2015

**Section II – Financial Statement Findings**

None.

**Section III – Federal Award Findings and Questioned Costs**

None.

**EDMOND INDEPENDENT SCHOOL DISTRICT NO.12**  
**Oklahoma County, Oklahoma**  
**Schedule of Accountant's Professional Liability Insurance Affidavit (unaudited)**  
**For the Year Ended June 30, 2015**

State of Oklahoma )

County of Carter )

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 engagement with Edmond Independent School District No.12 for the audit year 2014-2015.

RAHHAL HENDERSON JOHNSON, PLLC

BY: Mary E. Johnson  
Authorized Agent

Subscribed and sworn to before me on this 28th day of January, 2016.

Brenda Richardson  
Notary Public

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

My commission expires on: \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

