



***Edmond Public Schools***  
***Oklahoma County, Oklahoma***  
Financial Statements  
Year-End June 30, 2012

RHJ

Edmond Independent School District No. 12  
Oklahoma County, Oklahoma  
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June 30, 2012

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## **INTRODUCTORY**



## INDEPENDENT AUDITOR'S REPORT

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

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, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Edmond Independent School District No.12, Oklahoma County, Oklahoma's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, Edmond Independent School District No. 12 has prepared these financial statements using accounting practices prescribed by the Oklahoma State Department of Education, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

Further in our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity 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, 2012, the changes in its financial position for the year then ended.

In our opinion, the financial statements referred to above 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,

**100 E Street S.W. , Suite 200 | Ardmore, OK 73401**

Telephone (580) 223-6454 | FAX 1-800-858-9329

Oklahoma County, Oklahoma, as of June 30, 2012, and the respective changes in financial position on a regulatory basis thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2013, 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* and should be considered in assessing the results of our audit.

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 financial statements as a whole. The introductory section, management discussion and analysis, budgetary comparison schedules, combining nonmajor fund financial statements and statement of changes in activity fund subaccounts are presented for purposes of additional analysis and are not a required part of the 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information in the introductory section management discussion and analysis, budgetary comparison and other information as listed in the accompanying table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Rahhal Henderson Johnson, PLLC*

Ardmore, Oklahoma

January 30, 2013

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

Management's Discussion and Analysis  
June 30, 2012

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, 2012. 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 other 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, 2012

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

	<u>District-wide Statements</u>	<u>Fund Financial Statements</u> <u>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 assets-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 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 assets. Net assets - 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, 2012

**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 Assets**  
*(in millions of dollars)*

	<b>2010</b>	<b>2011</b>	<b>2012</b>
Current and Other Assets	\$111.1	\$121.2	\$126.6
Capital assets	251.4	270.1	288.0
<b>Total assets</b>	<b>\$362.5</b>	<b>\$391.3</b>	<b>\$414.6</b>
Long-term debt outstanding	\$112.1	\$116.7	\$118.1
Other liabilities	20.5	21.5	19.4
<b>Total liabilities</b>	<b>\$132.6</b>	<b>\$138.2</b>	<b>\$137.5</b>
Net assets:			
Invested in capital assets, net of debt	\$177.6	\$194.4	\$212.9
Restricted	25.6	28.9	29.4
Unrestricted	26.7	29.8	34.8
<b>Total net assets</b>	<b>\$229.9</b>	<b>\$253.1</b>	<b>\$277.1</b>

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

Management's Discussion and Analysis  
June 30, 2012

**Net Assets**

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

**Table A-3**

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

	<b>2010</b>	<b>2011</b>	<b>2012</b>
Revenues			
Program revenues			
Charges for services	\$10.5	\$10.9	\$11.3
Federal and State grants	30.5	16.3	14.8
General revenues			
Property taxes	\$89.4	\$93.5	\$95.6
Other taxes	13.1	13.9	14.8
Federal entitlement	.0	4.8	3.3
State entitlement	40.2	40.3	44.9
Other general revenues	1.5	0.9	1.2
Total revenues	\$185.2	\$180.6	\$185.9
Expenses			
Program expenses			
Instruction	\$81.6	\$80.4	\$80.8
Support services	52.0	53.7	57.3
Non-instruction	3.1	11.5	10.7
Interest on long-term debt	3.2	3.3	3.9
Depreciation-unallocated	7.7	8.5	9.2
Total expenses	\$147.6	\$157.4	\$161.9
<b>Increase in net assets</b>	<b>\$37.6</b>	<b>\$23.2</b>	<b>\$24.0</b>
Beginning Net Assets	192.3	229.9	253.1
Ending Net Assets	\$229.9	\$253.1	\$277.1

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

Management's Discussion and Analysis  
June 30, 2012

**Changes in Net Assets**

In 2012 the District's revenues increased \$5.3 million from the prior year (See Table A-3). The largest source of the revenue increase was \$4.6 million in state entitlement. A portion of this increase is really a shift in the funding source for the allocated state aid to schools. In 2011, the District's state aid allocation included \$4.2 million from American Recovery and Reinvestment Act (ARRA) stabilization funds (which are characterized as "Federal Entitlement" in Table A-3.) In 2012, the entire state aid allocation was funded from state appropriations. The overall state aid allocation (from both sources) actually decreased \$1.2 million from \$35 million in 2011 to \$33.8 million in 2012.

In 2012 the state legislature fully funded the employee Flexible Benefit Allowance (FBA) and the National Board Certified Teacher (NBCT) bonus, which together produced an increase of \$1.7 in state entitlement revenue over the prior year.

The \$1.5 million decrease in federal entitlement in 2012 is a result of the loss of \$4.2 million in allocated ARRA funding mentioned above, offset by a \$2.8 million increase in Education Jobs funding which the District received in 2012 and a decrease of \$100,000 in ARRA clean air incentive grants for the purchase of school busses.

Revenues from property taxes increased \$2.1 million or 2.2%. Although the District's total millage rate decreased from 66.96 to 66.28, the property valuation increased 2.55% from \$1.397 billion to \$1.486 billion. While the District's property valuation has continued to grow, the rate of growth is slowing. The average rate of growth for the three prior years was 4.57%.

Program expenses increased \$4.5 million, at approximately the same rate of increase as revenues. \$3.6 million of the increase in expenditures was in support services, comprised largely of activities to maintain grounds, building and equipment in an effective working condition and state of repair. Other notable areas of increase were technology support for administrative networks and assistance to instructional staff with the content and process of providing learning experiences for students.

**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 14. The District's balance sheet for all funds reflects a combined fund balance of \$73.9 million, an increase of \$7.5 million. The overall increase is primarily attributed to a \$2.6 million increase in Capital Project Funds (bond funds) and an increase of \$4.9 million in General Fund.

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

Management's Discussion and Analysis  
June 30, 2012

**General Fund Budgetary Highlights for 2012**

Some good things happened financially for Edmond Public Schools in 2012. The 2012 budget was based on some certainty that no additional budget reductions would be implemented by the state during the school year. In fact, it is first time in three years that the state did not reduce school funding at sometime during the year. State revenue collections were up \$410 million for fiscal year 2012 and school districts received a \$52.4 million supplemental appropriation to fully fund employee FBA cost and pay the National Board Certified Teacher bonus. The District's 2012 budget ended as one of most stable and strongest budgets we have seen since 2008. The District was able to control expenditures and received \$2.0 million more in revenue than projected all while absorbing the loss of federal stimulus funds.

All of these positive factors along with great support and buy-in from all parties enabled the District to increase the fund balance from \$13.7 million (10.8%) to \$18.5 million (14.2%). This fund balance puts the District in a good position of absorb the loss of \$3.2 million in Education Jobs funding in 2013.

The District continues to be consistent in its spending patterns. Payroll costs were 95.5% of total expenditures while expenditures for instruction were 61.9%.

Total revenue collections were \$2 million higher than budgeted primarily due to the state fully funding the employee FBA and NBCT bonus.

Conservative spending patterns implemented in the prior year continued into 2012. The resulting unspent budgets served to lower expenditures below the budget and further added to the increase in fund balance.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

During 2012, the District completed \$26 million in construction projects, including new classroom additions at Cross Timbers, Russell Dougherty, West Field, and Will Rogers elementary schools and improvements at Chisholm, Angie Debo, and Washington Irving elementary schools and Sequoyah Middle School. North High School added a two-story front and expanded the media center, classrooms, restrooms, administrative offices and counseling and special education areas. Also at North High School, improvements to hallways, lockers, roofing and HVAC were completed. The new administrative center meeting facility and parking were completed early in the 2012 school year. Baseball improvements at the high schools included an indoor hitting facility at Santa Fe, dugout and press box improvements at Memorial and bleacher covers at North. Middle school baseball improvements at three middle schools (Cimarron, Sequoyah, and Summit) included dugouts, bleachers, backstops, field lighting and walkways. The District also replaced the chiller at Charles Haskell Elementary.

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

Management's Discussion and Analysis  
June 30, 2012

On June 30, 2012 the District had bond funds available, including accumulated interest, of \$42.1 million, which will be spent on capital projects including a new elementary school, a competitive swimming pool, classroom additions, site renovations, instructional equipment, technology, and energy conservation initiatives. Accumulated bond fund interest accounted for \$2 million of the bond funds available.

**Long-term Debt**

At fiscal year end, the District had \$117.2 million in total long-term debt outstanding. This is a net increase of \$1.4 million from last year's amount of \$115.8 million. The District issued new bonds totaling \$32.8 million and retired \$31.4 million of outstanding bonds.

A proposed bond issue for \$80 million will be presented to voters February 12, 2013. If approved, the bonds will be issued in four series over two years in a plan which will minimize fluctuations in patrons' taxes as well as stagger construction requirements. The Edmond community will be asked to approve funding for construction of a seventeenth elementary school and a sixth middle school, expansion of another elementary school, and land purchase for a future fourth high school. Also planned are facility improvements to Orvis Risner and Sunset elementary schools as well as all three high schools. The bond issue will also include continuing financial support for technology, roofing, flooring, HVAC, school safety and security, athletics, fine arts, and transportation.

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

While sequestration, mandatory federal budget cuts, associated with the federal "fiscal cliff" was avoided with a last-minute agreement by Congress in December 2012, it may have only been delayed. As of January 2013, Congress was unable to reach agreement on spending cuts, and the sequestration was delayed until March 2013 as part of the American Taxpayer Relief Act of 2012 -- the deal that avoided the full "fiscal cliff." The delay until March was to give lawmakers more time to agree on which programs would actually receive spending cuts. Whether that compromise is reached by March and whether education funding will be cut is still uncertain.

The 2013 appropriation for state formula aid and textbooks was unchanged from the prior year while the state experienced a growth of close to 10,000 students statewide, thus lowering the funding per student from the prior year. The State Board of Education and Superintendent Barresi have requested a \$289 million increase for their fiscal year 2014 budget which would increase funding to schools for instruction, operations, textbooks, and reform implementation. While it is difficult to guess how the state legislature will prioritize funding in the current legislative session, schools are hopeful for relief from rising costs and the strains of spreading static funding over larger and larger student populations.

School districts are also hopeful the \$15 million supplemental appropriation request for 2013 to cover shortfalls in the employee flexible benefit allowance and Reading Sufficiency programs will be approved by the legislature.

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

Management's Discussion and Analysis  
June 30, 2012

State question 766 was voted into law in 2012. This measure, which exempts intangible property from ad valorem taxation, will adversely affect local tax collections and further strain state resources for school funding.

Another new law that affects the assessed property valuation growth in Oklahoma was passed in 2012. The new law limits valuation increases to 3% annually (the previous limit was 5%). This law will limit the already slowing property valuation growth in the District and hamper local revenue growth as well as bonding capacity.

The District will open its 16<sup>th</sup> elementary school, Frontier Elementary, in the next school year. First year operational costs are estimated to be \$1.5 million.

The 2013 school year marked the true funding cliff year for the District. In 2012 the last of non-recurring Education Jobs funding was used to pay personnel costs. In 2013, the District will spend into its general fund balance to sustain the programs currently in place. Beyond 2013, the District will have to evaluate the funding available to determine a sustainable balance of expenditures.

**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 Assets – Regulatory Basis  
June 30, 2012

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Investments	\$ 126,483,084
Other Current Assets	5,880
Inventories	102,868
Capital Assets:	
Land and Construction in Progress	33,619,199
Other Capital Assets, net of depreciation	<u>254,369,414</u>
 Total Assets	 <u>\$ 414,580,445</u>
 <b>LIABILITIES AND EQUITY</b>	
Current Liabilities	
Warrants Outstanding	\$ 6,674,050
Accounts Payable	182,653
Salaries and Related benefits	11,605,843
Reserve for Encumbrances	876,053
Long -term liabilities	
Due within One Year	32,990,000
Due in More than One Year	<u>85,147,979</u>
 Total Liabilities	 <u>\$ 137,476,578</u>
 Net Assets	
Invested in Capital Assets, net of related debt	\$ 212,887,936
Restricted for	
Debt Service	18,291,375
School-Based Activities	2,693,596
Child Nutrition	3,351,264
Buildings	5,022,353
Private Grants	18,503
Unrestricted	<u>34,838,840</u>
Total Net Assets	<u><u>\$ 277,103,867</u></u>

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, 2012

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets Primary Government
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities
<i>Functions/Programs</i>					
Primary Government					
Governmental Activities					
Instruction	\$ 80,827,739	\$ 119,127	\$ 10,336,240	\$ -	\$ (70,372,372)
Support Services	57,262,191	1,925,345	659,043	-	(54,677,803)
Non-Instruction Services	10,737,783	9,253,555	3,807,374	-	2,323,146
Interest on Long-Term Debt	3,865,575	-	-	-	(3,865,575)
Depreciation-Unallocated	9,205,121	-	-	-	(9,205,121)
Total Governmental Activities	\$ 161,898,409	\$ 11,298,027	\$ 14,802,657	\$ -	\$ (135,797,725)
General Revenues					
Taxes					
Property taxes, levied for general purposes					\$ 53,327,433
Property taxes, levied for building purposes					7,611,420
Property taxes, levied for sinking fund purposes					34,692,861
General Taxes					14,807,818
Investment Earnings					1,221,539
State Aid - Formula grant					44,883,830
Federal Aid - Formula grant					3,281,195
Gain on sale of property					1,383
Total General Revenues					\$ 159,827,479
Change in Net Assets					\$ 24,029,754
Net Assets - Beginning					253,074,113
Net Assets - Ending					\$ 277,103,867

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Balance Sheet – Governmental Funds– Regulatory Basis  
June 30, 2012

	General Fund	Debt Service Fund	2012A Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and Cash Investments	36,482,093	35,422,338	21,292,624	\$ 33,286,024	\$ 126,483,079
Receivables, Net	4,079	-	-	1,801	5,880
Inventory	-	-	-	61,230	61,230
<b>Total Assets</b>	<b>\$ 36,486,172</b>	<b>\$ 35,422,338</b>	<b>\$ 21,292,624</b>	<b>\$ 33,349,055</b>	<b>\$ 126,550,189</b>
<b>Liabilities</b>					
Warrants Outstanding	\$ 5,405,491	\$ -	\$ 570,482	\$ 698,077	\$ 6,674,050
Accounts Payable	42,594	-	194	139,923	182,711
Salaries and Related Benefits	11,605,784	-	-	-	11,605,784
Principal and Interest Accruals	-	33,264,154	-	-	33,264,154
Reserve for Encumbrances	876,053	-	-	-	876,053
<b>Total Liabilities</b>	<b>\$ 17,929,922</b>	<b>\$ 33,264,154</b>	<b>\$ 570,676</b>	<b>\$ 838,000</b>	<b>\$ 52,602,752</b>
<b>Fund Balances</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ 61,230	\$ 61,230
Restricted	270,931	2,158,184	20,702,839	24,421,087	47,553,041
Committed	-	-	-	6,016,598	6,016,598
Assigned	1,220,184	-	19,109	2,012,142	3,251,435
Unassigned	17,065,135	-	-	-	17,065,135
<b>Total Fund Balances</b>	<b>\$ 18,556,250</b>	<b>\$ 2,158,184</b>	<b>\$ 20,721,948</b>	<b>\$ 32,511,057</b>	<b>\$ 73,947,439</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 36,486,172</b>	<b>\$ 35,422,338</b>	<b>\$ 21,292,624</b>	<b>\$ 33,349,057</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. The costs of assets is \$391,592,435 and accumulated depreciation is \$103,603,822.	287,988,613
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.	41,640
Sinking Fund Principal and Interest Accruals are part of the net assets at the district-wide level	33,264,154
Long-term capital lease obligations are not due and payable in the current period and accordingly are not reported as fund liabilities.	(118,137,979)
Net assets of governmental activities.	<u>\$ 277,103,867</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, 2012

	General Fund	Debt Service Fund	2012A Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUE</b>					
Property Taxes	\$ 53,327,432	\$ 34,692,861	\$ -	\$ 7,839,720	95,860,013
Interest	115,905	255,841	15,580	208,502	595,828
County Revenue	5,392,445	-	-	-	5,392,445
State Revenue	55,696,909	1,241	-	110,450	55,808,600
Federal Revenue	11,258,343	-	-	2,461,698	13,720,041
Other	570,678	-	-	12,027,099	12,597,777
 Total Revenue	\$ 126,361,712	\$ 34,949,943	\$ 15,580	\$ 22,647,469	\$ 183,974,704
 <b>EXPENDITURES</b>					
Current					
Instruction	\$ 77,747,180	\$ -	132,606	\$ 2,608,997	\$ 80,488,783
Support Services	42,123,333	-	1,079,349	16,426,244	59,628,926
Non-instruction Services	5,597,713	-	12,801	5,609,559	11,220,073
Capital Outlay	-	-	1,448,876	21,002,110	22,450,986
Other Outlays	225,101	-	-	596,947	822,048
Debt Service					
Interest Paid	-	3,865,575	-	-	3,865,575
Principal Retirement	-	31,365,000	-	-	31,365,000
 Total Expenditures	\$ 125,693,327	\$ 35,230,575	\$ 2,673,632	\$ 46,243,857	\$ 209,841,391
 Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 668,385	\$ (280,632)	\$ (2,658,052)	\$ (23,596,388)	\$ (25,866,687)
 Other Financing Sources					
Transfers In	\$ 4,186,521	\$ -	\$ -	\$ 1,266,456	\$ 5,452,977
Transfers Out	-	(233,101)	-	(5,219,876)	(5,452,977)
Accrued Principal & Interest	-	2,179	-	-	2,179
Premium on Bond Sales	-	621,668	-	-	621,668
Proceeds of Bonds	-	-	23,380,000	9,400,000	32,780,000
Total Other Financing Sources	\$ 4,186,521	\$ 390,746	\$ 23,380,000	\$ 5,446,580	\$ 33,403,847
 Net Change in Fund Balances	\$ 4,854,906	110,114	20,721,948	(18,149,808)	7,537,160
 Fund Balances - Beginning	13,701,344	2,048,070	-	50,660,863	66,410,277
Fund Balances - Ending	\$ 18,556,250	\$ 2,158,184	\$ 20,721,948	\$ 32,511,055	\$ 73,947,437

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund  
Balances – Governmental Funds to the Statement of Activities– Regulatory Basis  
For the Year Ended June 30, 2012

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

Net change in fund balances - total governmental funds		\$ 7,537,160						
<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 expenses 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%;">Capital Outlay</td> <td style="width: 10%; text-align: right;">\$ 27,118,625</td> <td style="width: 30%;"></td> </tr> <tr> <td>Depreciation Expense</td> <td style="text-align: right;"><u>(9,205,121)</u></td> <td style="text-align: right;">17,913,504</td> </tr> </table>	Capital Outlay	\$ 27,118,625		Depreciation Expense	<u>(9,205,121)</u>	17,913,504	
Capital Outlay	\$ 27,118,625							
Depreciation Expense	<u>(9,205,121)</u>	17,913,504						
<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>								
		(7,407)						
<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 assets, 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 assets. Debt issued this year exceeded repayments.</p>								
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Debt Issued</td> <td style="width: 10%; text-align: right;">\$ (32,780,000)</td> <td style="width: 30%;"></td> </tr> <tr> <td>Debt Repayments</td> <td style="text-align: right;"><u>31,365,000</u></td> <td style="text-align: right;">(1,415,000)</td> </tr> </table>	Debt Issued	\$ (32,780,000)		Debt Repayments	<u>31,365,000</u>	(1,415,000)	
Debt Issued	\$ (32,780,000)							
Debt Repayments	<u>31,365,000</u>	(1,415,000)						
<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>								
		3,676						
<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>(2,179)</u>						
Change in net assets of governmental activities.		<u>\$ 24,029,754</u>						

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Statement of Fiduciary Net Assets – Regulatory Basis  
June 30, 2012

	<u>Private Purpose Trust</u>
Assets	
Cash and Cash Investments	\$ 494,364
	<u>\$ 494,364</u>
Total Assets	
Net Assets	
Nonspendable Endowment	\$ 440,088
Restricted for Scholarships	<u>54,276</u>
Total Net Assets	<u>\$ 494,364</u>

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
 Oklahoma County, Oklahoma  
 Statement of Changes in Fiduciary Net Assets – Regulatory Basis  
 For the Year Ended June 30, 2012

	Private Purpose Trust
Additions:	
Interest	4,807
Total Additions	\$ 4,807
Changes in Net Assets	\$ 4,807
Net Assets-Beginning	489,557
Net Assets -Ending	\$ 494,364

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2012

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 Assets, 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 assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2012

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

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.

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 assets 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.



EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2012

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

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.

2012A 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.

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.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2012

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

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 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 assets.
- 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, 2012

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.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2012

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

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.

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 fair value. 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.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2012

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

State Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. Approximately 41% 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.

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.

Interfund Transfers - During the course of normal operations, the District has transactions between funds including reimbursement of expenditures made on behalf of another fund and transfers of resources to provide services and purchase assets. Transactions that are normal and recurring between funds are recorded as operating transfers.

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

Net Assets and Fund Balance –

District-Wide Financial Statements –

Net assets on the Statement of Net Assets include the following:

Investment in Capital Assets, Net of Related Debt – The component of net assets 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.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2012

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

Restricted for Debt Service – The component of net assets 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 assets 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 assets 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 assets 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 net assets restricted for private grants. The amount is restricted by the grants which are authorized by the Edmond Public School Foundation.

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 assets, it uses restricted net assets first unless unrestricted net assets will have to be returned because they were not used.

Fund Financial Statements–

The District has adopted Governmental Accounting Standards Board Statement No. 54, which redefined how fund balances of the governmental funds are presented in the 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.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2012

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

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.

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, and anticipated federal program carryover. 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.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2012

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

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, 2012, fund balances are comprised of the following:

	General Fund	Debt Service Fund	2012A Fund	Other Governmental Funds	Total Governmental Funds
Nonexpendable					
Inventory	\$ -	\$ -	\$ -	\$ 61,230	\$ 61,230
Restricted					
Capital Outlay and Property Maintenance	-	-	20,702,839	24,402,587	45,105,426
Debt Service	-	2,158,184	-	-	2,158,184
Federal and State Programs	270,931	-	-	-	270,931
Instruction	-	-	-	18,500	18,500
Total Restricted:	<u>270,931</u>	<u>2,158,184</u>	<u>20,702,839</u>	<u>24,421,087</u>	<u>47,553,041</u>
Committed					
Food Services	-	-	-	3,323,002	3,323,002
School Organizations	-	-	-	2,693,596	2,693,596
Total Committed:	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,016,598</u>	<u>6,016,598</u>
Assigned					
Employee Compensation	876,053	-	-	-	876,053
Site Budget Carryover	90,648	-	-	-	90,648
Anticipated Federal Program Carryover	253,483	-	-	-	253,483
Bond Costs and Capital Outlay	-	-	19,109	2,012,141	2,031,250
Total Assigned:	<u>1,220,184</u>	<u>-</u>	<u>19,109</u>	<u>2,012,141</u>	<u>3,251,434</u>
Unassigned	<u>17,065,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,065,135</u>
	<u>\$ 18,556,250</u>	<u>\$ 2,158,184</u>	<u>\$ 20,721,948</u>	<u>\$ 32,511,056</u>	<u>\$ 73,947,438</u>

Note 2 -- Cash and Investments

At June 30, 2012, the bank balance of deposits and cash pools was \$114,930,860. 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. The bank balance was completely covered by federal depository insurance and by collateral held by the District's third party agent in the District's name.

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.



EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2012

Note 2 -- Cash and Investments (continued)

Investments – The District had no investments at June 30, 2012.

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.

Note 3 -- Long-term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
General Obligation Debt	\$ 115,800,000	\$ 32,780,000	\$ 31,365,000	\$ 117,215,000	\$ 32,250,000
Compensated Absences	915,571	746,994	739,586	922,979	740,000
Total governmental activity long-term liabilities	<u>\$ 116,715,571</u>	<u>\$ 33,526,994</u>	<u>\$ 32,104,586</u>	<u>\$ 118,137,979</u>	<u>\$ 32,990,000</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, 2012 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, 2012
7,200,000	Building	7/1/2007	1,800,000	1,800,000	7/1/2012	4%-4.25%	\$ 1,800,000
18,500,000	Combined	3/1/2008	4,625,000	4,625,000	3/1/2013	2.5%-3%	4,625,000
10,400,000	Building	7/1/2008	2,600,000	2,600,000	7/1/2013	3.25%-3.5%	5,200,000
21,600,000	Combined	3/1/2009	5,400,000	5,400,000	3/1/2014	2.25%-2.5%	10,800,000
14,680,000	Building	7/1/2009	3,670,000	3,670,000	7/1/2014	2%-4%	11,010,000
22,480,000	Combined	3/1/2010	5,620,000	5,620,000	3/1/2015	2%-3%	16,860,000
13,640,000	Building	7/1/2010	3,410,000	3,410,000	7/1/2015	1%-3%	13,640,000
20,500,000	Combined	3/1/2011	5,125,000	5,125,000	3/1/2016	.5%-3%	20,500,000
9,400,000	Building	8/1/2011	2,350,000	2,350,000	8/1/2016	1.5%-2%	9,400,000
23,380,000	Combined	3/1/2012	5,845,000	5,845,000	3/1/2017	.05%-2%	23,380,000
							<u>\$ 117,215,000</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2012

Note 3 -- Long-term Liabilities (continued)

As of June 30, 2012, 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
2013	\$ 32,250,000	\$ 2,539,398	\$ 34,789,398
2014	34,020,000	1,693,372	35,713,372
2015	26,020,000	939,525	26,959,525
2016	16,730,000	449,475	17,179,475
2017	8,195,000	140,400	8,335,400
	<u>\$ 117,215,000</u>	<u>\$ 5,762,170</u>	<u>\$ 122,977,170</u>

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, 2012 is approximately \$144,889,000.

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.

Subsequent to year end, the District issued an additional \$12,160,000 in bonds.

Note 4 -- Employee Retirement System

*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, Article 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.

*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.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2012

Note 4 -- Employee Retirement System (continued)

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, 2012. Plan members are required to contribute 7% of their annual covered salary. The District pays full-time employees' contributions as allowed by statute. The District's contributions to TRS (net of retirement credit paid by the State of Oklahoma) for the years ended June 30, 2012, 2011, and 2009 were \$13,932,296, \$13,778,050, and \$13,805,613, respectively, equal to the required contributions for each year.

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. The total amount of payments made by the State of Oklahoma on-behalf of the District for 2012 totaled \$1,000,180.

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 which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2012

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, 2012:

	Construction Commitments
2012A Bond Fund	\$ 16,769,170
Other Governmental Funds	38,611,910
Total	<u>\$ 55,381,080</u>

Note 8 -- Operating Leases

The District leases a mail machine for \$897 per month, for a term of 5 years, ending in May 2015. Future payments will be FY13 \$10,764, FY14 \$10,764 and FY15 \$2,691. Expenditures related to this lease as of June 30, 2012 were \$10,764.

Note 9 -- Schedule of Transfers

Transfer From	Transfer To	Amount	Nature of Transfer
Child Nutrition Fund	General Fund	\$ 3,064,500	Operating Transfer for Payroll
Student Activity Fund	General Fund	1,114,021	Operating Transfer
Student Activity Fund	Child Nutrition Fund	4,964	Operating Transfer
Student Activity Fund	Student Activity Fund	172,980	Operating Transfer
Debt Service Fund	Building Fund	233,101	Operating Transfer
2008A Bond Fund	Bond Residual Fund	661,332	Operating Transfer
2008B Bond Fund	Bond Residual Fund	202,079	Operating Transfer
		<u>\$ 5,452,977</u>	

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2012

Note 10 -- Capital Assets

Capital Asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Government Activities:</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 8,042,132	\$ 442,869	\$ -	\$ 8,485,001
Construction in progress	28,138,981	23,008,348	26,013,131	25,134,198
Total capital assets, not being depreciated	<u>\$ 36,181,113</u>	<u>\$ 23,451,217</u>	<u>\$ 26,013,131</u>	<u>\$ 33,619,199</u>
<b>Capital assets, being depreciated</b>				
Buildings	\$ 304,999,934	\$ 26,038,822	\$ -	\$ 331,038,756
Furniture and Equipment	1,606,399	26,221	-	1,632,620
Musical Instruments	518,484	59,240	-	577,724
Equipment	10,595,880	2,622,189	12,935	13,205,134
Vehicles	11,007,839	934,067	422,904	11,519,002
Total capital assets, being depreciated	<u>\$ 328,728,536</u>	<u>\$ 29,680,539</u>	<u>\$ 435,839</u>	<u>\$ 357,973,236</u>
Less Accumulated Depreciation	<u>94,834,540</u>	<u>9,205,121</u>	<u>435,839</u>	<u>103,603,822</u>
Total capital assets, being depreciated, net	<u>\$ 233,893,996</u>	<u>\$ 20,475,418</u>	<u>\$ -</u>	<u>\$ 254,369,414</u>
Governmental activities capital assets, net	<u>270,075,109</u>	<u>43,926,635</u>	<u>26,013,131</u>	<u>287,988,613</u>
<b>Total Primary Government</b>	<u><b>\$ 270,075,109</b></u>	<u><b>\$ 43,926,635</b></u>	<u><b>\$ 26,013,131</b></u>	<u><b>\$ 287,988,613</b></u>

Note 11 – Subsequent Events

A bond election will be held February 12, 2013. If approved by the voters, the District would issue bonds totaling \$80 million over a two-year period. The bond issue would provide for construction of a new elementary school, a new middle school and land for a future high school campus. The bond issue would also fund improvements to existing facilities as well as transportation and equipment purchases.

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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, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUE</b>				
Property Taxes	\$ 48,637,785	\$ 48,637,785	\$ 53,327,432	\$ 4,689,647
Interest	116,000	116,000	115,905	(95)
County Revenue	5,193,900	5,193,900	5,392,445	198,545
State Revenue	50,923,135	50,923,135	55,696,909	4,773,774
Federal Revenue	10,714,500	10,714,500	11,258,343	543,843
Other	<u>5,084,500</u>	<u>5,084,500</u>	<u>4,757,199</u>	<u>(327,301)</u>
Total Revenue	<u>\$ 120,669,820</u>	<u>\$ 120,669,820</u>	<u>\$ 130,548,233</u>	<u>\$ 9,878,413</u>
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 78,145,764	\$ 78,145,764	77,747,180	\$ 398,584
Support Services	50,000,000	50,000,000	42,123,333	7,876,667
Non-instruction Services	6,000,000	6,000,000	5,597,713	402,287
Capital Outlay	-	-	-	-
Other Outlays	<u>225,400</u>	<u>225,400</u>	<u>225,102</u>	<u>298</u>
Total Expenditures	<u>\$ 134,371,164</u>	<u>\$ 134,371,164</u>	<u>\$ 125,693,328</u>	<u>\$ 8,677,836</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (13,701,344)	\$ (13,701,344)	\$ 4,854,905	\$ 18,556,249
Fund Balance - Beginning	<u>13,701,344</u>	<u>13,701,344</u>	<u>13,701,344</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,556,249</u>	<u>\$ 18,556,249</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Budgetary Comparison Schedule – Appropriated Funds (unaudited) – Regulatory Basis  
For the Year Ended June 30, 2012

	<u>Building Fund</u>		<u>Child Nutrition Fund</u>		<u>Debt Service Fund</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Actual</u>
<b>REVENUE</b>						
Property Taxes	\$ 6,944,729	\$ 7,611,420	\$ -	\$ -	\$ 33,139,492	34,692,861
Interest	22,900	22,329	12,200	16,791	-	255,841
County Revenue	-	-	-	-	-	-
State Revenue	100	-	102,432	110,450	-	1,241
Federal Revenue	-	-	2,608,737	2,461,698	-	-
Other	213,700	288,301	4,902,100	4,844,191	-	623,846
Total Revenue	<u>\$ 7,181,429</u>	<u>\$ 7,922,050</u>	<u>\$ 7,625,469</u>	<u>\$ 7,433,130</u>	<u>\$ 33,139,492</u>	<u>\$ 35,573,789</u>
<b>EXPENDITURES</b>						
Current						
Instruction	\$ 351,615	\$ 298,729	\$ -	\$ -	\$ -	\$ -
Support Services	7,978,385	7,682,856	-	-	-	-
Non-instruction Services	-	-	\$ 3,883,246	\$ 3,736,467	-	-
Capital Outlay	450,000	408,648	-	-	-	-
Other Outlays	<u>3,891,964</u>	<u>-</u>	<u>6,428,587</u>	<u>3,062,281</u>	<u>\$ -</u>	<u>\$ 233,101</u>
Debt Service						
Interest Paid	-	-	-	-	2,937,563	3,865,575
Principal Retirement	-	-	-	-	32,250,000	31,365,000
Total Expenditures	<u>\$ 12,671,964</u>	<u>\$ 8,390,233</u>	<u>\$ 10,311,833</u>	<u>\$ 6,798,748</u>	<u>\$ 35,187,563</u>	<u>\$ 35,463,676</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,490,535)	(468,183)	(2,686,364)	634,382	(2,048,071)	110,113
Fund Balance - Beginning	<u>5,490,535</u>	<u>5,490,535</u>	<u>2,686,364</u>	<u>2,686,364</u>	<u>2,048,071</u>	<u>2,048,071</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 5,022,352</u>	<u>\$ -</u>	<u>\$ 3,320,746</u>	<u>\$ -</u>	<u>\$ 2,158,184</u>



EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Combining Balance Sheet– Other Governmental Funds – Regulatory Basis  
For the Year Ended June 30, 2012

	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	\$ 5,511,525	\$ 68,223	\$ 3,333,604	\$ 2,901,870	\$ 29,991	\$ 11,845,213	\$ 21,440,811	\$ 33,286,024
Receivables, Net	-	-	1,801	-	-	1,801	-	1,801
Inventory	-	-	61,230	-	-	61,230	-	61,230
<b>Total Assets</b>	<u>\$ 5,511,525</u>	<u>\$ 68,223</u>	<u>\$ 3,396,635</u>	<u>\$ 2,901,870</u>	<u>\$ 29,991</u>	<u>\$ 11,908,244</u>	<u>\$ 21,440,811</u>	<u>\$ 33,349,055</u>
<b>Liabilities</b>								
Warrants Outstanding	\$ 350,864	\$ -	\$ 12,403	\$ 208,216	\$ 11,488	\$ 582,971	\$ 115,106	\$ 698,077
Accounts Payable	138,309	-	-	58	-	138,367	1,556	139,923
<b>Total Liabilities</b>	<u>\$ 489,173</u>	<u>\$ -</u>	<u>\$ 12,403</u>	<u>\$ 208,274</u>	<u>\$ 11,488</u>	<u>\$ 721,338</u>	<u>\$ 116,662</u>	<u>\$ 838,000</u>
<b>Fund Balances</b>								
Nonspendable	\$ -	\$ -	\$ 61,230	\$ -	\$ -	\$ 61,230	\$ -	\$ 61,230
Restricted	5,022,352	68,223	-	-	18,503	5,109,078	19,312,009	24,421,087
Committed	-	-	3,323,002	2,693,596	-	6,016,598	-	6,016,598
Assigned	-	-	-	-	-	-	2,012,142	2,012,142
<b>Total Fund Balances</b>	<u>5,022,352</u>	<u>68,223</u>	<u>3,384,232</u>	<u>2,693,596</u>	<u>18,503</u>	<u>11,186,906</u>	<u>21,324,151</u>	<u>32,511,057</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,511,525</u>	<u>\$ 68,223</u>	<u>\$ 3,396,635</u>	<u>\$ 2,901,870</u>	<u>\$ 29,991</u>	<u>\$ 11,908,244</u>	<u>\$ 21,440,813</u>	<u>\$ 33,349,057</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Combining Statement of Revenue, Expenditures and Changes in Fund Balance  
– Other Governmental Funds– Regulatory Basis  
For the Year Ended June 30, 2012

	Other Special Revenue Funds						Total Other Capital Project Funds	Total Other Governmental Funds
	Building	MAPS	Child Nutrion	Activity	Gift	Total		
<b>REVENUE</b>								
Property Taxes	\$ 7,611,420	\$ 228,300	\$ -	\$ -	\$ -	\$ 7,839,720	\$ -	\$ 7,839,720
Interest	22,329	427	16,791	13,369	59	52,975	155,527	208,502
State Revenue	-	-	110,450	-	-	110,450	-	110,450
Federal Revenue	-	-	2,461,698	-	-	2,461,698	-	2,461,698
Other	63,201	-	4,844,191	7,003,224	90,000	12,000,616	26,483	12,027,099
Total Revenue	<u>\$ 7,696,950</u>	<u>\$ 228,727</u>	<u>\$ 7,433,130</u>	<u>\$ 7,016,593</u>	<u>\$ 90,059</u>	<u>\$ 22,465,459</u>	<u>\$ 182,010</u>	<u>\$ 22,647,469</u>
<b>EXPENDITURES</b>								
Current								
Instruction	\$ 298,729	42,123	\$ -	523,073	68,930	932,855	\$ 1,676,142	\$ 2,608,997
Support Services	7,682,856	-	-	3,304,135	10,426	10,997,417	5,428,827	16,426,244
Non-instruction Services	-	-	3,736,467	1,766,956	-	5,503,423	106,136	5,609,559
Capital Outlay	-	150,000	-	77,932	-	227,932	\$ 20,774,178	21,002,110
Other Outlays	408,648	8,563	2,745	52,122	-	472,078	124,869	596,947
Total Expenditures	<u>\$ 8,390,233</u>	<u>\$ 200,686</u>	<u>\$ 3,739,212</u>	<u>\$ 5,724,218</u>	<u>\$ 79,356</u>	<u>\$ 18,133,705</u>	<u>\$ 28,110,152</u>	<u>\$ 46,243,857</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(693,283)	28,041	3,693,918	1,292,375	10,703	4,331,754	(27,928,142)	(23,596,388)
Other Financing Sources								
Transfers In	225,101	-	4,964	172,980	-	403,045	863,411	1,266,456
Transfers Out	-	-	(3,064,500)	(1,291,965)	-	(4,356,465)	(863,411)	(5,219,876)
Proceeds of Bonds	-	-	-	-	-	-	9,400,000	9,400,000
Total Other Financing Sources	<u>225,101</u>	<u>-</u>	<u>(3,059,536)</u>	<u>(1,118,985)</u>	<u>-</u>	<u>(3,953,420)</u>	<u>9,400,000</u>	<u>5,446,580</u>
Net Change in Fund Balances	(468,182)	28,041	634,382	173,390	10,703	378,334	(18,528,142)	(18,149,808)
Fund Balances, Beginning	5,490,534	40,182	2,749,850	2,520,206	7,800	10,808,572	39,852,291	50,660,863
Fund Balances, Ending	<u>\$ 5,022,352</u>	<u>\$ 68,223</u>	<u>\$ 3,384,232</u>	<u>\$ 2,693,596</u>	<u>\$ 18,503</u>	<u>\$ 11,186,906</u>	<u>\$ 21,324,149</u>	<u>\$ 32,511,055</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, 2012

	2008A Bond	2008B Bond	2009A Bond	2009B Bond	2010A Bond	2010B Bond	2011A Bond	2011B Bond	Bond Residual	Total Other Capital Project Funds
<b>Assets</b>										
Cash and Cash Investments	\$ -	\$ -	\$ 333,932	\$ 364,289	\$ 679,936	\$ 832,279	\$ 10,043,813	\$ 6,579,659	\$ 2,606,903	\$ 21,440,811
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 333,932</b>	<b>\$ 364,289</b>	<b>\$ 679,936</b>	<b>\$ 832,279</b>	<b>\$ 10,043,813</b>	<b>\$ 6,579,659</b>	<b>\$ 2,606,903</b>	<b>\$ 21,440,811</b>
<b>Liabilities</b>										
Warrants Outstanding	\$ -	\$ -	\$ 115	\$ -	\$ 2,646	\$ -	\$ 65,779	\$ 4,200	\$ 42,366	\$ 115,106
Accounts Payable	-	-	-	-	-	-	-	-	1,556	1,556
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 115</b>	<b>\$ -</b>	<b>\$ 2,646</b>	<b>\$ -</b>	<b>\$ 65,779</b>	<b>\$ 4,200</b>	<b>\$ 43,922</b>	<b>\$ 116,662</b>
<b>Fund Balances</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	196,673	271,749	560,438	733,164	9,888,034	6,544,014	1,117,937	19,312,009
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	137,144	92,540	116,852	99,115	90,000	31,445	1,445,046	2,012,142
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>333,817</b>	<b>364,289</b>	<b>677,290</b>	<b>832,279</b>	<b>9,978,034</b>	<b>6,575,459</b>	<b>2,562,983</b>	<b>21,324,151</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 333,932</b>	<b>\$ 364,289</b>	<b>\$ 679,936</b>	<b>\$ 832,279</b>	<b>\$ 10,043,813</b>	<b>\$ 6,579,659</b>	<b>\$ 2,606,905</b>	<b>\$ 21,440,813</b>

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Combining Statement of Revenue, Expenditures and Changes in Fund Balance  
– Other Capital Project Funds – Regulatory Basis  
For the Year Ended June 30, 2012

	2008A Bond	2008B Bond	2009A Bond	2009B Bond	2010A Bond	2010B Bond	2011A Bond	2011B Bond	Bond Residual	Total Other Capital Project Funds
<b>REVENUE</b>										
Interest	\$ -	\$ -	\$ 1,609	\$ 3,682	\$ 14,971	\$ 45,862	\$ 51,542	\$ 24,427	\$ 13,434	\$ 155,527
Other	-	-	-	20,000	-	5,070	30	-	1,383	26,483
Total Revenue	\$ -	\$ -	\$ 1,609	\$ 23,682	\$ 14,971	\$ 50,932	\$ 51,572	\$ 24,427	\$ 14,817	\$ 182,010
<b>EXPENDITURES</b>										
Current										
Instruction	\$ -	\$ -	\$ 16,920	\$ 2,068	\$ 503,407	\$ 142,073	\$ 693,163	\$ 239,238	\$ 79,273	\$ 1,676,142
Support Services	-	-	144,169	465,530	816,329	438,927	2,234,996	1,249,109	79,767	5,428,827
Non-instruction Services	-	-	-	-	-	-	106,136	-	-	106,136
Capital Outlay	-	-	437,629	729,700	5,658,216	5,593,958	5,667,609	1,360,621	1,326,445	20,774,178
Other Outlays	-	-	-	-	-	-	-	-	124,869	124,869
Total Expenditures	\$ -	\$ -	\$ 598,718	\$ 1,197,298	\$ 6,977,952	\$ 6,174,958	\$ 8,701,904	\$ 2,848,968	\$ 1,610,354	\$ 28,110,152
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(597,109)	(1,173,616)	(6,962,981)	(6,124,026)	(8,650,332)	(2,824,541)	(1,595,537)	(27,928,142)
Other Financing Sources										
Transfers In	-	-	-	-	-	-	-	-	863,411	863,411
Transfers Out	(661,332)	(202,079)	-	-	-	-	-	-	-	(863,411)
Proceeds of Bonds	-	-	-	-	-	-	-	9,400,000	-	9,400,000
Total Other Financing Sources	\$ (661,332)	\$ (202,079)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,400,000	\$ 863,411	\$ 9,400,000
Net Change in Fund Balances	(661,332)	(202,079)	(597,109)	(1,173,616)	(6,962,981)	(6,124,026)	(8,650,332)	6,575,459	(732,126)	(18,528,142)
Fund Balances, Beginning	661,332	202,079	930,926	1,537,905	7,640,271	6,956,305	18,628,366	-	3,295,107	39,852,291
Fund Balances, Ending	\$ -	\$ -	\$ 333,817	\$ 364,289	\$ 677,290	\$ 832,279	\$ 9,978,034	\$ 6,575,459	\$ 2,562,981	\$ 21,324,149

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Combining Statement of Assets and Fund Balances  
– Activity Fund  
For the Year Ended June 30, 2012

ASSETS	Balance 6/30/2011	Total Receipts	Total Disbursements	Balance 6/30/2012
Activities:				
Academic Team	\$ 3,356	\$ 3,664	\$ 3,315	\$ 3,705
Advanced Placement/Enrichment	55,830	176,157	168,488	63,499
Alternative School	5,416	6,251	5,673	5,994
Art	13,759	44,811	47,471	11,099
Athletics	240,797	1,131,672	1,126,790	245,679
Before/After School Programs	554,362	1,146,665	917,349	783,678
Central Office	122,959	108,392	122,132	109,219
Charitable/Community/Service	39,721	947,260	949,967	37,014
Cheerleading/Pom/Pep	43,139	181,056	188,956	35,239
Chess Club	99	661	750	10
Concessions/Vending	298,054	337,075	297,986	337,143
Donations	12,102	55,847	47,899	20,050
Drama/Debate/Speech	7,101	16,447	19,807	3,741
Driver Education	(1)	20,805	20,804	-
Ethnic Heritage Clubs	5,122	1,105	3,580	2,647
Faculty/Hospitality	9,747	3,145	3,526	9,366
FBLA/DECA	22,718	173,764	150,554	45,928
FCCLA-Family, Career & Community Leaders	4,682	17,124	18,105	3,701
FFA Future Farmers of America	25,011	138,248	134,624	28,635
Foreign Language Clubs	23,826	36,400	34,615	25,611
Freshman Class	1,944	189	862	1,271
General Activity	428,194	530,065	593,482	364,777
Home Arts/Technology Ed/Wood Tech	15,841	39,570	42,317	13,094
Interest	63,352	11,611	12,732	62,231
Junior Class	19,215	59,052	37,410	40,857
Math Club	471	-	-	471
Media Center	67,902	139,063	133,092	73,873
Music	143,256	948,313	995,196	96,373
Musical Productions	32,502	83,031	75,664	39,869
National Forensic League	2,014	12,946	12,311	2,649
National Honor Society	6,081	15,791	14,445	7,427
Newspaper	1,117	1,817	2,249	685
Parking	400	113,153	113,553	-
Photo Lab	9,064	16,626	15,684	10,006
Prom Fund	-	4,537	4,474	63
PSAT Counselor	25,654	71,569	73,509	23,714
Refunds	1,496	35,731	36,228	999
Robotics Team	10,068	28,046	24,785	13,329
ROTC	841	17,064	17,276	629
Scholarships	49	719	305	463
Scholarships	15,016	-	8,069	6,947
Scholarships	15,065	719	8,374	7,410
Science/Environmental	7,824	10,755	8,412	10,167
Senior Class	14,556	26,098	27,487	13,167
Sophomore Class	397	2,619	2,235	781
Special Education	8,418	12,714	15,496	5,636
Special Projects	18,553	43,192	45,960	15,785
Student Council	32,385	106,650	117,898	21,137
Summer School	6,172	82,890	89,062	-
Transcripts	3,153	107	1,794	1,466
Writing	2,361	2,661	2,510	2,512
Yearbook	91,937	215,863	218,242	89,558
Young Democrats/Republicans/Government	2,173	10,584	11,055	1,702
<b>Total Assets</b>	<b>\$ 2,520,206</b>	<b>\$ 7,189,575</b>	<b>\$ 7,016,185</b>	<b>\$ 2,693,596</b>
<b>FUND BALANCES</b>				
Designated to School Organizations	\$ 2,520,206	\$ 7,189,575	\$ 7,016,185	\$ 2,693,596
<b>Total Fund Balances</b>	<b>\$ 2,520,206</b>	<b>\$ 7,189,575</b>	<b>\$ 7,016,185</b>	<b>\$ 2,693,596</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  
Supplemental Schedule  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Project Number	Balance 6/30/11	Federal Grant Receipts	Federal Grant Expenditures	Balance 6/30/12
<b>U.S. Department of Education</b>						
Direct Programs						
Indian Education, Grants to Local Educational Agencies	84.060	561	\$ (26,665)	\$ 204,997	212,106	(33,774)
Passed Through Oklahoma Department of Career and Technology Education						
Vocational Education - Basic Grant to States	84.048	421/424	\$ (22,075)	\$ 165,025	164,580	(21,630)
Passed Through Oklahoma State Department of Education						
Title I, Improving Basic Programs	84.010	511/512/518	\$ (726,350)	\$ 2,034,154	\$ 1,641,855	\$ (334,051)
Title I, American Recovery and Reinvestment Act Improving Basic Programs	84.389A	516/534	(149,143)	158,337	9,194	-
Title I Cluster			\$ (875,493)	\$ 2,192,491	\$ 1,651,049	\$ (334,051)
Special Education - Grants to States	84.027	615/621/ 623/625	\$ (835,604)	\$ 4,073,976	\$ 4,121,398	\$ (883,026)
Special Education - Preschool Grants	84.173	641/642	(12,964)	89,224	89,621	(13,361)
Special Education - American Recovery and Reinvestment Act Grants to States	84.391A	622	(437,118)	440,573	3,455	-
Special Education - American Recovery and Reinvestment Act Preschool Grants	84.392A	643	(347)	347	-	-
Special Education Cluster			\$ (1,286,033)	\$ 4,604,120	\$ 4,214,474	\$ (896,387)
State Personnel Development Grants	84.323	651	(19,678)	40,307	21,246	(617)
Title II, Part D Enhancing Education through Technology	84.318X	546/548	\$ (5,230)	\$ 7,019	\$ 1,985	\$ (196)
Title II, Part A Teacher and Principal Training and Recruiting Fund	84.367	541	\$ (145,460)	\$ 479,446	\$ 416,617	\$ (82,631)
Part A, English Language Acquisition, Language Enhancement and Academic Achievement	84.365	571/572	\$ (17,852)	\$ 72,249	\$ 72,565	\$ (18,168)
Education Jobs Fund	84.410	790	\$ (113,262)	\$ 3,182,664	\$ 3,069,402	\$ -
Passed Through Oklahoma Department of Rehabilitation Services						
Job Training	84.126	456	\$ 93,224	\$ 71,651	\$ 58,206	\$ 106,669
<b>Total U.S. Department of Education</b>			\$ (2,418,524)	\$ 11,019,969	\$ 9,882,230	\$ (1,280,785)

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Supplemental Schedule  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Project Number	Balance 6/30/11	Federal Grant Receipts	Federal Grant Expenditures	Balance 6/30/12
<b><u>U.S. Department of Health and Human Services</u></b>						
Passed through the Oklahoma Health Care Authority Medical Assistance Program	93.778	698	\$ 28,604	\$ -	\$ -	\$ 28,604
<b><u>U.S. Department of the Interior</u></b>						
Direct Programs Indian Education - Assistance to Schools Johnson O'Malley Program	15.130	563/564	\$ 10,417	\$ 34,960	\$ 38,646	\$ 6,731
<b><u>U.S. Department of Agriculture</u></b>						
Passed through the Oklahoma State Department of Education Breakfast Program	10.553		\$ -	\$ 476,801	\$ 476,801	\$ -
Lunch Program	10.555		-	1,963,737	1,963,737	-
Summer Food Program	10.559		-	21,161	21,161	-
Child Nutrition Cluster			-	2,461,699	2,461,699	-
Passed through the Oklahoma Department of Human Services Lunch Program-Commodities	10.555		37,583	330,304	326,669	41,218
Summer Food Program-Commodities	10.559		380	3,560	3,520	420
<b>Total U.S. Department of Agriculture</b>			<b>\$ 37,963</b>	<b>\$ 2,795,563</b>	<b>\$ 2,791,888</b>	<b>\$ 41,638</b>
<b><u>U.S. Environmental Protection Agency</u></b>						
Passed through the Oklahoma Department of Environmental Quality ARRA, National Clean Diesel Funding Assistance Program	66.039	785	\$ -	\$ 98,531	\$ 98,531	\$ -
<b>Total Expenditures of Federal Awards</b>			<b>\$ (2,341,540)</b>	<b>\$ 13,949,023</b>	<b>\$ 12,811,295</b>	<b>\$ (1,203,812)</b>

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
 Oklahoma County, Oklahoma  
 Notes to Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2012

*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.

The following transactions related to the *American Recovery and Reinvestment Act*:

	Federal	Pass-Through	Balance	Federal Grant	Federal Grant	Balance
	CFDA	Grantor's				
	Number	Project	6/30/11	Receipts	Expenditures	6/30/12
Title I, American Recovery and Reinvestment Act Improving Basic Programs	84.389A	516/534	(149,143)	158,337	9,194	-
Special Education - American Recovery and Reinvestment Act Grants to States	84.391A	622	(437,118)	440,573	3,455	-
Special Education - American Recovery and Reinvestment Act Preschool Grants	84.392A	643	(347)	347	-	-
ARRA, National Clean Diesel Funding Assistance Program	66.039	785	-	98,531	98,531	-



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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, 2012

The District has a public employee dishonesty bond with Ohio Casualty Insurance Company covering all district employees not individually bonded. This bond coverage is \$100,000 per loss with a \$2,500 deductible per employee. The bond number is 3884485 and the term is from July 1, 2005 until cancelled.

The treasurer and assistant treasurer are bonded under separate surety bonds, each for \$500,000, with Ohio Casualty Insurance Company. The bonds (numbered 3863215 and 3863216, respectively) are effective for the period from July 1 through June 30 and are renewed annually.

The superintendent is bonded under Ohio Casualty Insurance Company surety bond number 5056725 with a coverage amount of \$100,000. The bond is effective for the period from July 1 through June 30 and is renewed annually.



**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 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, 2012, 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 30, 2013. Our opinions were modified because the District prepares its financial statements on a prescribed regulatory basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Edmond Independent School District No. 12, is responsible for establishing and maintaining effective 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 as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Edmond Independent School District No.12, Oklahoma County, Oklahoma's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

**100 E Street S.W. , Suite 200 | Ardmore, OK 73401**

Telephone (580) 223-6454 | FAX 1-800-858-9329

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined previously.

#### 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*.

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

*Rahhal Henderson Johnson, PLLC*

Ardmore, Oklahoma  
January 30, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A  
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

**Compliance**

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, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Edmond Independent School District No.12, Oklahoma County, Oklahoma's management. Our responsibility is to express an opinion on Edmond Independent School District No.12, Oklahoma County, Oklahoma's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Edmond Independent School District No.12, Oklahoma County, Oklahoma's compliance with those requirements.

**100 E Street S.W. , Suite 200 | Ardmore, OK 73401**

Telephone (580) 223-6454 | FAX 1-800-858-9329

In our opinion, Edmond Independent School District No.12, Oklahoma County, Oklahoma complied, in all material respects, with the 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, 2012.

### **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 requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Edmond Independent School District No.12, Oklahoma County, Oklahoma's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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.

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

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

*Rahhal Henderson Johnson, PLLC*

Ardmore, Oklahoma  
January 30, 2013

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
 Oklahoma County, Oklahoma  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2012

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

**Financial Statements:**

Type of audit report: Unqualified Opinion

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      \_\_\_\_\_ X 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: Unqualified Opinion

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

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.389A & 84.010	Title I, Grants to Local Education Agencies
84.367	Improving Teacher Quality State Grants
84.027; 84.173; 84.391A	Special Education Cluster (IDEA)
84.410	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$                      384,339

Auditee qualified as a low-risk auditee? \_\_\_\_\_ Yes      \_\_\_\_\_ X No

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12  
Oklahoma County, Oklahoma  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2012

**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, 2012

**Section II – Financial Statement Findings**

None.

**Section III – Federal Award Findings and Questioned Costs  
Department of Education**

**Finding 11-1 Title I Improving Basic Programs and Special Education Cluster**

Condition: The District did not have controls in place to verify vendors paid with Title I and Special Education federal funds were not suspended or debarred per the Excluded Parties List System.

Recommendation: the auditor recommended that controls be implemented to ensure the vendors paid with federal funds are not on the federal government's excluded parties list as suspended or debarred

Current Status: Controls were adopted during the current fiscal year. No similar findings noted during current year.