

ARDMORE SCHOOL DISTRICT I-19

Carter County, Oklahoma

Financial Statements

Year-End June 30, 2014

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ARDMORE SCHOOL DISTRICT NO. I-19
 Carter County, Oklahoma
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Ardmore School District No. I-19, Carter County, Oklahoma
Ardmore, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information Ardmore School District No. I-19, Carter County, Oklahoma, as of and for June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed by the Oklahoma State Department of Education; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

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

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

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

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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Ardmore School District No. I-19, Carter County, Oklahoma, on the basis of the financial reporting provisions of Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Ardmore School District No. I-19, Carter County, Oklahoma, as of June 30, 2014, the changes in its financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position on a regulatory basis of governmental activities, each major fund and the aggregate remaining fund information on a regulatory basis of Ardmore School District No. I-19, Carter County, Oklahoma, as of June 30, 2014, and the respective changes in financial position on a regulatory basis for the year then ended, on the basis of the financial reporting provisions of Oklahoma State Department of Education as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ardmore School District No. I-19, Carter County, Oklahoma’s financial statements as a whole. The management discussion and analysis, budgetary comparison schedules, combining nonmajor fund financial statements, statement of changes in activity fund subaccounts and other information as listed in the table of contents 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, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis 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 expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Oklahoma Department of Education requires management discussion and analysis, budgetary information, statement of statutory fidelity and honesty bonds and schedule of accountant’s professional liability insurance be presented to supplement the financial statements. Such information,

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2015 on our consideration of the Ardmore School District No. I-19, Carter County, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ardmore School District No. I-19, Carter County, Oklahoma's internal control over financial reporting and compliance.

Rahhal Henderson Johnson, PLLC

Ardmore, Oklahoma

March 19, 2015

ARDMORE SCHOOL DISTRICT NO. I-19
Management's Discussion and Analysis
June 30, 2014
(UNAUDITED)

As management of the Ardmore School District No. I-19, Carter County, Oklahoma (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here. The basic financial statements include government-wide financial statements and fund financial statements. For a further understanding of the difference between these financial statements, a detailed discussion is provided on page 20.

Financial Highlights

With respect to the government-wide financial statements:

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$26,027,801 (*net position*), which is a decrease of (\$2,640,683) from the prior year. Of the amount at June 30, 2014, \$1,817,923 (*unrestricted net position*) may be used to meet the entity's ongoing obligations to citizens and creditors.

With respect to the fund financial statements:

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$5,948,266, an increase of \$1,381,505 from the prior year.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,455,363.

Other highlights:

As part of the \$31,070,000 series bond issue approved by the citizens of Ardmore, Oklahoma, on May 14, 2013, the District's financial statements included the following increases in assets, liabilities, and expenses as of June 30, 2014.

1. The District's Cash and Cash Equivalents increased by \$3,283,881 primarily due to the unspent balance of general obligation bond funds.
2. Restricted Cash of \$18,322,714 consists of unused cash from the advanced lease revenue bonds from the Carter County Public Facilities Authority.

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Financial Highlights (continued)

3. Construction in Progress of \$2,139,166 includes the following site building and improvement projects:

Jefferson Elementary Addition and Remodel	\$ 1,368,186
Charles Evans Elementary Gymatorium	2,400
Lincoln Elementary New Construction	766,130
Will Rogers Elementary Addition	<u>2,450</u>
	<u>\$ 2,139,166</u>

4. Long-Term Liabilities include \$6,170,000 of general obligation bonds and \$19,700,000 of advanced lease revenue bonds from the Carter County Public Facilities Authority (CCPFA). These liabilities were incurred for the purpose of constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites. These financing arrangements are described in Notes VI and X of the footnotes.
5. Interest Expense on long-term debt includes \$304,651 interest on the CCPFA lease revenue bonds described above.
6. Other Expenses and Refunds include \$868,479 bond issuance costs related to the \$19,700,000 CCPFA lease revenue bonds described above.

The District's Operating Grants and Contributions increased \$787,974 during the year ended June 30, 2014, due primarily to \$777,410 sales tax collections from Carter County, Oklahoma, and the timing of federal claim reimbursements.

The District's largest taxpayer protested its 2013 Ad Valorem tax assessment, resulting in decreased tax collections in the General Fund and Building fund for fiscal year ended June 30, 2014. The protest was settled in November 2014, and the District received ad valorem taxes in the amount of \$1,397,370 and \$199,680 for General Fund and Building Fund purposes, respectively.

General Taxes increased \$787,678 during the year ended June 30, 2014, attributable primarily to increases in Gross Production Taxes of \$663,352 and Motor Vehicle Taxes of \$107,765.

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Management's Discussion and Analysis
June 30, 2014
(UNAUDITED)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the entity's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* include the statement of net position – regulatory basis and the statement of activities – regulatory basis and are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position – regulatory basis* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities – regulatory basis* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported using the regulatory basis of accounting whereby revenues represent cash receipts collected by June 30th and expenditures represent cash disbursements modified by encumbrances, investments, inventories, capital assets, depreciation, and long-term debt.

The governmental activities of the District include instruction, supporting services, non-instruction services, capital outlay, and other outlays. These functions are principally supported by State of Oklahoma appropriations, grants and fees.

The government-wide financial statements can be found on pages 15-16 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District only has governmental funds.

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Management's Discussion and Analysis
June 30, 2014
(UNAUDITED)

Overview of the Financial Statements (Continued)

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on cash collections and encumbrances, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet – regulatory basis and the governmental fund statement of revenues, expenditures, and changes in fund balances – regulatory basis provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Building Fund, Bond Fund #35, and Bond Fund #36 which are considered to be major funds. Data from the other eight governmental funds are combined into an aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund, building fund, child nutrition fund, coop fund, and sinking fund. A budgetary comparison statement has been provided for the general fund and all major funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17-19 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-34 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *other information* concerning the District's budget to actual schedules on major governmental funds, combining and individual fund statements and schedules. Other information can be found on pages 36-37 and pages 38-39 of this report.

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Management's Discussion and Analysis
June 30, 2014
(UNAUDITED)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$26,027,801 at the close of the most recent fiscal year, as shown below.

The District's Net Position

	Governmental Activities	
	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 9,824,358	\$ 6,540,477
Restricted Cash	18,322,714	-
Investments	37,666	37,666
Capital Assets:		
Land and Construction in Progress	2,573,816	434,650
Other Capital Assets, Net of Depreciation	<u>25,150,040</u>	<u>26,002,073</u>
Total Assets	<u>\$ 55,908,594</u>	<u>\$ 33,014,866</u>
LIABILITIES AND EQUITY		
Current Liabilities		
Warrants Payable	\$ 1,634,787	\$ 1,797,695
Reserve for Encumbrances	831,006	213,687
Long-Term Liabilities		
Due within one year	1,545,000	790,000
Due in more than one year	<u>25,870,000</u>	<u>1,545,000</u>
Total Liabilities	<u>\$ 29,880,793</u>	<u>\$ 4,346,382</u>
Net Position		
Invested in Capital Assets	22,192,061	24,101,723
Restricted	2,017,817	1,584,970
Unrestricted	<u>1,817,923</u>	<u>2,981,791</u>
Total Net Position	<u>\$ 26,027,801</u>	<u>\$ 28,668,484</u>

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(UNAUDITED)

Government-wide Financial Analysis (Continued)

Governmental activities. Governmental activities decreased the District's net position by (\$2,640,683). Key elements of this decrease are shown below.

The District's Changes in Net Position

	Governmental Activities	
	Year Ended	
	June 30, 2014	June 30, 2013
Primary Government		
Program Revenues:		
Charges for Services	\$ 1,309,893	\$ 1,348,019
Operating Grants and Contributions	6,867,903	6,079,929
Capital Grants and Contributions	-	119,136
Total Program Revenues	\$ 8,177,796	\$ 7,547,084
General Revenues:		
Taxes:		
Property Taxes, levied for general purposes	\$ 4,527,834	\$ 5,533,421
Property Taxes, levied for building purposes	647,014	790,709
Property Taxes, levied for sinking fund purposes	82	192
General Taxes	4,020,546	3,232,868
Investment Earnings	143,297	168,849
State Aid - Noncategorical	8,102,037	8,520,058
Miscellaneous	303,635	408,515
Total General Revenues	\$ 17,744,445	\$ 18,654,612
 Total Revenues	 \$ 25,922,241	 \$ 26,201,696
 Governmental Activities		
Expenses:		
Instruction	13,237,024	13,074,872
Support Services	11,731,883	11,396,498
Operation of Noninstructional Services	2,228,316	2,354,214
Facilities Acquisition & Construction Services	98,016	218,616
Scholarships, Awards, & Other	4,100	13,700
Interest on Long-Term Debt	389,295	-
Other Expenses and Refunds	874,290	8,454
Total Expenses	28,562,924	27,066,354
 Increase (Decrease) In Net Position	 (2,640,683)	 (864,658)
Net Position - Beginning	28,668,484	29,533,142
Net Position, Ending	\$ 26,027,801	\$ 28,668,484

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Management's Discussion and Analysis
June 30, 2014
(UNAUDITED)

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's *governmental funds* is to provide information on cash collections and encumbrances, as well as balances of spendable resources available at the end of the fiscal year. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$5,948,266, an increase of \$1,381,505 in comparison with the prior year. This amount includes \$1,455,363, *unassigned fund balance*, which is available for spending at the District's discretion.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the general fund was \$1,817,923, of which \$362,560 was restricted by state statute, donors and external grantors.

General Fund Budgetary Comparisons

The District budgets conservatively. Revenues are budgeted based upon statutorily-limited amounts equaling 90% of the prior year's collections; approved millage rates for ad valorem taxes; and approved allocation amounts from federal, state, and local grantors. Expenditures and carryover are budgeted based upon the legal appropriations approved by the county excise board.

During fiscal year ended June 30, 2014, General Fund property tax revenue was \$1,003,509 less than the budgeted amount, reflecting an 18% decrease in revenues. This decrease is attributable to the protested 2013 ad valorem taxes by the District's largest taxpayer.

County revenues increased \$72,473 due to county 4-mill and mortgage tax increases.

State revenues increased \$214,442 primarily due to the following: 1) \$790,737 increase in Gross Production Tax; 2) \$243,790 increase in Motor Vehicle Taxes; 3) \$51,964 increase in School Land Earnings; 4) (\$1,024,632) decrease in State Foundation and Salary Incentive Aid, 5) \$60,429 increase in Flexible Benefit Allowance, and 6) \$92,154 increase in miscellaneous state revenues.

Federal revenues decreased \$266,051 primarily due to the timing of federal claim reimbursements.

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Management's Discussion and Analysis
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(UNAUDITED)**

General Fund Budgetary Comparisons (Continued)

General fund actual instruction expenditures were \$2,796,253 less than budgeted instruction expenditures due to the District's conservative approach to carryover fund balance to the next fiscal year.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$27,723,856 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, buses, vehicles, machinery and equipment, and construction in progress. The net decrease in the District's capital assets for the current fiscal year was \$(1,287,133).

**The District's Capital Assets
(Net of Depreciation)**

	Governmental Activities	
	June 30, 2014	June 30, 2013
Land	\$ 434,650	\$ 434,650
Land Improvements	1,610,352	1,603,765
Buildings	57,285,903	56,844,929
Buses and Vehicles	2,472,380	2,472,380
Machinery and Equipment	2,747,234	2,795,344
Construction in Progress	2,139,166	-
Total Capital Assets	66,689,685	64,151,068
Accumulated Depreciation	(38,965,829)	(37,714,345)
Net Capital Assets	\$ 27,723,856	\$ 26,436,723

Additional information on the District's capital assets can be found in Note III on page 28 of this report.

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Management's Discussion and Analysis
June 30, 2014
(UNAUDITED)**

Capital Asset and Debt Administration (Continued)

At year-end, the District had \$27,415,000 in long-term liabilities versus \$2,335,000 last year, as shown below:

	Governmental Activities	
	June 30, 2014	June 30, 2013
Capital Leases	\$ 21,245,000	\$ 2,335,000
General Obligation Debt	6,170,000	-
Total Governmental Activity Long-Term Liabilities	\$ 27,415,000	\$ 2,335,000

Additional information on the District's long-term obligations can be found in Note VI to the financial statements.

Other Currently Known Facts, Decisions, or Conditions

On September 1, 2013, the Board of Education entered into ground lease and sublease agreements with the Carter County Public Facilities Authority (CCPFA), a public trust, for the purpose of facilitating the issuance of the bonds, to provide security for payment of the bonds, and to enable the District to utilize the bond proceeds for the construction and placement of improvements on real property. The lease agreements will remain in effect to June 30, 2027. In conjunction with these lease agreements, the District will issue general obligation bonds to repay the lease. The Board of Education approved the sale of \$2,075,000 general obligation bonds in December 2014; the proceeds were received by the District on March 19, 2015.

In May 2014, the District applied through the Okla. Dept. of Education and was approved for the Community Eligibility Provision, which is a program through the USDA that allows schools that have 40% or higher directly certified free students to offer 100% of their students free meals. This program became effective for the 2014-2015 school year.

The Jefferson Elementary Addition and Renovation bond project was completed in October 2014.

In addition to its 2013 tax protest, the District's largest taxpayer protested its 2014 Ad Valorem tax assessment. Both of these protests were settled in November 2014. The District worked with the Carter County Assessor and the Oklahoma State Department of Education to adjust the state aid and salary incentive mid-term calculations to include the 2014 adjusted net assessed valuation in order to insure the ad valorem chargeable reflected the appropriate 2014 adjusted net assess valuation. The 2013 protested valuation of the District's largest taxpayer resulted in \$1,595,646 increase in the 2014-2015 state aid and salary incentive allocation, less other chargeables. In fiscal year 2015-2016, the 2013 tax settlement will result in an \$894,317 decrease in the state aid and salary incentive allocation.

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Other Currently Known Facts, Decisions, or Conditions (Continued)

In January 2015, the final payment was issued against the lease revenue bond agreement with the Ardmore Community Facilities Authority. In February 2015 and March 2015, the District received \$1,026,960 and \$76, respectively, distributions of excess sales tax revenues from the Ardmore Community Facilities Authority. This distribution is restricted by the original sales tax agreement dated February 1, 2005, for the purpose of financing the acquisition, construction, furnishing and equipping of educational facilities and for other educational functions.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the entity's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ardmore School District No. I-19, Carter County, Oklahoma District, P.O. Box 1709, Ardmore, Oklahoma 73402.

BASIC FINANCIAL STATEMENTS

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Statement of Net Position – Regulatory Basis
June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Investments	\$ 9,824,358
Restricted Cash	18,322,714
Investments	37,666
Capital Assets:	
Land and Construction in Progress	2,573,816
Other Capital Assets, net of depreciation	<u>25,150,040</u>
 Total Assets	 <u>\$ 55,908,594</u>
 LIABILITIES AND NET POSITION	
Current Liabilities	
Warrants Payable	1,634,787
Reserve for Encumbrances	831,006
Long -term liabilities	
Due within one year	1,545,000
Due in more than one year	<u>25,870,000</u>
 Total Liabilities	 <u>\$ 29,880,793</u>
 Net Position	
Net Investment in Capital Assets	\$ 22,192,061
Restricted for	
Building Services	643,938
Child Nutrition	206,737
Debt Service	46,189
Instructional Materials and Technology	455,290
Alternative Education	142,987
School Organizations	418,305
Scholarships	
Expendable	53,205
Nonexpendable	51,166
Unrestricted	<u>1,817,923</u>
 Total Net Position	 <u><u>\$ 26,027,801</u></u>

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Statement of Activities– Regulatory Basis
For the Year Ended June 30, 2014

	Program Revenues			Net (Expense) Revenue and	
Expenses	Charges for	Operating	Capital	Changes in Net Position	
	Services	Grants and	Grants and	Primary Government	
		Contributions	Contributions	Governmental	
				Activities	
<i>Functions/Programs</i>					
Primary Government					
Governmental Activities					
Instruction	\$ 13,237,024	\$ 391,920	\$ 3,192,032	\$ -	\$ (9,653,072)
Support Services	11,731,883	309,932	1,143,877	-	(10,278,074)
Operation of Noninstructional Services	2,228,316	569,411	1,507,558	-	(151,347)
Facilities Acquisition and Construction Services	98,016	-	977,247	-	879,231
Scholarships, Awards and Other	4,100	-	1,000	-	(3,100)
Interest on Long-Term Debt	389,295	-	-	-	(389,295)
Other Expenses and Refunds	874,290	38,630	46,189	-	(789,471)
Total Governmental Activities	\$ 28,562,924	\$ 1,309,893	\$ 6,867,903	\$ -	\$ (20,385,128)
General Revenues					
Taxes					
Property taxes, levied for general purposes					\$ 4,527,834
Property taxes, levied for building purposes					647,014
Property taxes, levied for sinking fund purposes					82
General Taxes					4,020,546
Investment Earnings					143,297
State Aid - Noncategorical					8,102,037
Miscellaneous					303,635
Total General Revenues					\$ 17,744,445
Change in Net Position					\$ (2,640,683)
Net Position - Beginning					28,668,484
Net Position - Ending					\$ 26,027,801

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Balance Sheet – Governmental Funds– Regulatory Basis
June 30, 2014

	General Fund	Building Fund	Bond Fund 35	Bond Fund 36	Other Governmental Funds	Total
Assets						
Cash and Cash Investments	\$ 3,465,772	\$ 706,913	\$ 2,432,327	\$ 1,502,332	\$ 1,717,014	\$ 9,824,358
Investments	-	-	-	-	37,666	37,666
Total Assets	<u>\$ 3,465,772</u>	<u>\$ 706,913</u>	<u>\$ 2,432,327</u>	<u>\$ 1,502,332</u>	<u>\$ 1,754,680</u>	<u>\$ 9,862,024</u>
Liabilities						
Warrants Outstanding	\$ 1,477,140	\$ 4,370	\$ -	\$ -	\$ 153,277	\$ 1,634,787
Reserve for Encumbrances	170,709	58,605	1,822,133	-	227,524	2,278,971
Total Liabilities	<u>\$ 1,647,849</u>	<u>\$ 62,975</u>	<u>\$ 1,822,133</u>	<u>\$ -</u>	<u>\$ 380,801</u>	<u>\$ 3,913,758</u>
Fund Balances						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 51,166	\$ 51,166
Restricted	362,560	642,279	596,539	1,502,237	903,486	4,007,101
Committed	-	-	-	-	418,305	418,305
Assigned	-	1,659	13,655	95	922	16,331
Unassigned	<u>1,455,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,455,363</u>
Total Fund Balances	<u>\$ 1,817,923</u>	<u>\$ 643,938</u>	<u>\$ 610,194</u>	<u>\$ 1,502,332</u>	<u>\$ 1,373,879</u>	<u>\$ 5,948,266</u>
Total Liabilities and Fund Balances	<u>\$ 3,465,772</u>	<u>\$ 706,913</u>	<u>\$ 2,432,327</u>	<u>\$ 1,502,332</u>	<u>\$ 1,754,680</u>	

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 \$66,689,685 and the accumulated depreciation is \$38,965,829.

27,723,856

Long-term capital lease and bond payable obligations are not due and payable in the current period and accordingly are not reported as fund liabilities. Long-term liabilities at year-end consist of:

Capital lease payable:	27,415,000	
Restricted assets held:	<u>(18,322,714)</u>	<u>(9,092,286)</u>

Net position of governmental activities.

\$ 26,027,801

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund
Balances – Governmental Funds– Regulatory Basis
For the Year Ended June 30, 2014

	General Fund	Building Fund	Bond Fund 35	Bond Fund 36	Other Governmental Funds	Total
REVENUE						
Property Taxes	\$ 4,542,126	\$ 647,014	\$ -	\$ -	\$ 82	5,189,222
Interest	8,484	1,659	13,655	95	5,888	29,781
County Revenue	581,423	-	-	-	777,410	1,358,833
State Revenue	12,149,849	-	-	-	409,881	12,559,730
Federal Revenue	2,308,141	-	-	-	1,246,500	3,554,641
Other	1,139,997	-	-	-	2,780,491	3,920,488
Total Revenue	\$ 20,730,020	\$ 648,673	\$ 13,655	\$ 95	\$ 5,220,252	\$ 26,612,695
EXPENDITURES						
Current						
Instruction	\$ 12,542,550	\$ -	\$ -	\$ -	\$ 636,814	\$ 13,179,364
Support Services	8,861,936	626,487	47,729	26,923	755,529	10,318,604
Non-instruction Services	81,313	-	-	-	1,990,722	2,072,035
Capital Outlay	104,997	71,914	3,450,732	545,840	21,592	4,195,075
Other Outlays	307,044	-	-	-	1,334,020	1,641,064
Total Expenditures	\$ 21,897,840	\$ 698,401	\$ 3,498,461	\$ 572,763	\$ 4,738,677	\$ 31,406,142
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,167,820)	\$ (49,728)	\$ (3,484,806)	\$ (572,668)	\$ 481,575	\$ (4,793,447)
Adjustments to Prior Year Encumbrances	3,952	1,000	-	-	-	4,952
Other Financing Sources						
Proceeds of Bonds	\$ -	\$ -	\$ 4,095,000	\$ 2,075,000	\$ -	\$ 6,170,000
Total Other Financing Sources	\$ -	\$ -	\$ 4,095,000	\$ 2,075,000	\$ -	\$ 6,170,000
Net Change in Fund Balances	\$ (1,163,868)	\$ (48,728)	\$ 610,194	\$ 1,502,332	481,575	1,381,505
Fund Balances - Beginning	2,981,791	692,666	-	-	892,304	4,566,761
Fund Balances - Ending	\$ 1,817,923	\$ 643,938	\$ 610,194	\$ 1,502,332	\$ 1,373,879	\$ 5,948,266

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund
Balances – Governmental Funds – Regulatory Basis to the Statement of Activities – Regulatory Basis
For the Year Ended June 30, 2014

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

Net change in fund balances - total governmental funds		\$ 1,381,505												
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Capital Outlay</td> <td style="width: 20%; text-align: right;">\$ 2,956,028</td> <td style="width: 20%;"></td> </tr> <tr> <td>Depreciation Expense</td> <td style="text-align: right;"><u>(1,524,818)</u></td> <td style="text-align: right;">1,431,210</td> </tr> </table>	Capital Outlay	\$ 2,956,028		Depreciation Expense	<u>(1,524,818)</u>	1,431,210							
Capital Outlay	\$ 2,956,028													
Depreciation Expense	<u>(1,524,818)</u>	1,431,210												
The net effect of various miscellaneous transactions involving capital assets (I.e., sales, trade-ins, and donations) is to decrease net position.		(144,077)												
Governmental funds reported encumbrances related to capital outlays. However, in the statement of activities the reserve for encumbrances related to capital outlay were eliminated.		1,447,965												
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however issuing debt increases long term liabilities and does not affect the statement of activities.		(6,170,000)												
The repayment of the principal on capital leases consumes current financial resources of government funds. However this transaction does not have an effect on net position.		790,000												
The rental payment related to the lease revenue bond is expenditure on governmental funds and then eliminated on the statement of activities related to the long term liabilities.		(1,500)												
Long term liabilities included a capital lease that incurred expenses which do not require current financial resources and therefore are not reported as expenditures in governmental funds.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Closing Costs; Fees; Discounts:</td> <td style="width: 20%; text-align: right;">(868,479)</td> <td style="width: 20%;"></td> </tr> <tr> <td>Interest Earnings on Restricted Reserve Funds:</td> <td style="text-align: right;">1,004</td> <td></td> </tr> <tr> <td>Construction in Progress:</td> <td style="text-align: right;">(203,660)</td> <td></td> </tr> <tr> <td>Interest Paid on Capital Lease:</td> <td style="text-align: right;"><u>(304,651)</u></td> <td style="text-align: right;">(1,375,786)</td> </tr> </table>	Closing Costs; Fees; Discounts:	(868,479)		Interest Earnings on Restricted Reserve Funds:	1,004		Construction in Progress:	(203,660)		Interest Paid on Capital Lease:	<u>(304,651)</u>	(1,375,786)	
Closing Costs; Fees; Discounts:	(868,479)													
Interest Earnings on Restricted Reserve Funds:	1,004													
Construction in Progress:	(203,660)													
Interest Paid on Capital Lease:	<u>(304,651)</u>	(1,375,786)												
Change in net position of governmental activities		<u>\$ (2,640,683)</u>												

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ardmore School District No. I-19, Carter County, Oklahoma (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, Oklahoma Statutes.

The Reporting Entity

The governing body of the District is the Board of Education composed of elected members. The superintendent is the executive officer of the Board of Education and the administrative head of the District.

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.

Government-Wide and Fund Financial 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 government-wide and fund financial statements categorize primary activities as either governmental or business type. Governmental activities include programs primarily supported by taxes, State aid, grants and other intergovernmental revenue. The District does not have any activities classified as business-type. The government-wide focus is more on the sustainability of the District as an entity and the change in the District’s net position resulting from current year’s activities.

Government-Wide Financial Statements: In the government-wide Statement of Net Position-regulatory basis, the District’s governmental activities are reported on cash receipts and disbursement basis modified as required by regulations of the Oklahoma Department of Education to include fixed assets, long-term debt and obligations. The District’s net position is reported in three parts: net investment in capital assets, restricted net position and unrestricted net position.

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide Statement of Activities – regulatory basis 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 – regulatory basis 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* include 1) charges to students, faculty, individuals, or other school districts that purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, interest, transfers and other items not properly included among program revenues are reported instead as *general revenues*.

All interfund transactions are eliminated in the government-wide 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 fund categories.

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.

Building Fund is used to account for resources restricted by statutes for ad valorem taxes designated for repair, maintenance, acquisition and construction of buildings.

Bond Fund 35 is used to account for the proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

Bond Fund 36 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 included in the Other Governmental Funds column:

Special Revenue Funds – The District accounts for resources restricted or committed to specific purposes other than debt service or capital projects where the foundation for the fund is those resources or if the fund is legally mandated in special revenue funds.

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Fund – The District accounts for the accumulation of funds for the periodic payment of general long-term debt in this fund.

Permanent Fund – The District reports resources that are restricted to the extent that only earnings, and not principal, may be used to support the District’s programs in this fund.

Basis of Accounting

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

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

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

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

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Collateral in the form of obligations of the U.S. government or its agencies, municipalities or the State of Oklahoma is required for demand deposits and certificates of deposit for all amounts not covered by federal depository insurance.

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, banks and trust companies. The District has no formal policy on managing credit risk or amounts that may be invested in one issuer. The District does not have a formal investment policy that limits investment maturities as a means of managing interest rate risk.

Investments for the District are reported at historical value. The investments held by the District as equity securities were donated.

Inventories

The value of consumable inventories at June 30, 2014 is not material to the financial statements. On the government-wide financial statements, United States Department of Agriculture (USDA) food commodities are recorded as revenue at fair value as of the date of receipt and as an expense when used. USDA food commodities are not reported in the governmental funds.

Capital Assets

Capital assets, which include land, land improvements, buildings, buses and vehicles, machinery and equipment, and construction in progress, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

ARDMORE SCHOOL DISTRICT NO. I-19
 Carter County, Oklahoma
 Notes to Financial Statements
 June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant, and equipment of the District, is depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Land Improvements	15
Buildings	20 – 40
Buses & Vehicles	5 – 10
Machinery and Equipment	3 – 10

Net Position

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

Net assets on the Statement of Net Position – Regulatory Basis include the following:

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

Restricted for Buildings – The component of net position that reports the excess of property taxes and other revenues collected in excess of expenses for operation of the District’s buildings. This amount is restricted by Oklahoma Statutes.

Restricted for Child Nutrition – The component of net position that report the assets restricted for use by the Child Nutrition program.

Restricted for Debt Service – The component of net position that report the assets restricted for payment of principal and interest on general long-term debt.

Restricted for Instructional Materials and Technology – The component of net position that report the excess of sales tax restricted for technology and instructional materials by voters.

Restricted for Alternative Education – The component of net position that report the assets restricted for alternative education programs.

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

ARDMORE SCHOOL DISTRICT NO. I-19

Carter County, Oklahoma
Notes to Financial Statements
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted for Scholarships – The component of net position that report the assets restricted for scholarships.

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

Fund Equity

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is 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 the original funds donated in the Endowment Fund as being nonspendable as these amounts are legally required to be maintained intact.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources 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 amounts restricted by state statute, donors and external grantors in this classification.
- 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 school organization activities as being committed because their use is governed by Board of Education action.
- 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 the superintendent through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District has assigned funds for interest earnings to the special revenue funds where earned by the budgetary process.
- Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of June 30, 2014, fund balances are comprised of the following:

	General Fund	Building Fund	Bond Fund 35	Bond Fund 36	Other Governmental Funds	Total Governmental Funds
Nonexpendable						
Endowment	\$ -	\$ -	\$ -	\$ -	\$ 51,166	\$ 51,166
Restricted						
Debt Service	-	-	-	-	46,189	46,189
Building Operation and Maintenance	-	642,279	-	-	-	642,279
Alternative Education	-	-	-	-	142,942	142,942
State and Private Grants	362,560	-	-	-	-	362,560
Child Nutrition	-	-	-	-	206,644	206,644
Instructional Materials and Technology	-	-	-	-	454,681	454,681
School Facilities	-	-	596,539	1,502,237	-	2,098,776
Scholarships	-	-	-	-	53,030	53,030
Committed						
School Organizations	-	-	-	-	418,305	418,305
Assigned						
Building Operation and Maintenance	-	1,659	-	-	-	1,659
Alternative Education	-	-	-	-	45	45
Child Nutrition	-	-	-	-	93	93
Instructional Materials and Technology	-	-	-	-	609	609
School Facilities	-	-	13,655	95	-	13,750
Scholarships	-	-	-	-	175	175
Outstanding encumbrances	-	-	-	-	-	-
Unassigned	1,455,363	-	-	-	-	1,455,363
	<u>\$ 1,817,923</u>	<u>\$ 643,938</u>	<u>\$ 610,194</u>	<u>\$ 1,502,332</u>	<u>\$ 1,373,879</u>	<u>\$ 5,948,266</u>

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.

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 taxes are due one-half prior to January 1 and the balance prior to April 1. If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed; otherwise, the purchaser is issued a deed to the property.

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2014

I. 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 47% of the District's 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 program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs.

II. BUDGETARY INFORMATION

The District is required by 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.

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

A budget is legally adopted for the General Fund, Building Fund, Child Nutrition Fund, Coop Fund and Sinking Fund that includes revenue and expenditures. 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 restricted and deferred to a subsequent fiscal year.

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2014

II. DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy requires collateral for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. As of June 30, 2014, cash deposits and investments were fully insured or collateralized by a pledging bank's agent in the District's name.

Investment – The District's investment of \$37,666 at June 30, 2014, represents equity securities valued at historical value that were donated to the District. These securities are uninsured and exposed to the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of the investment.

III. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Government Activities:</i>				
<i>Capital assets, not being depreciated</i>				
Land	\$ 434,650	\$ -	\$ -	\$ 434,650
Construction in progress	-	2,139,166	-	2,139,166
Total capital assets, not being depreciated	<u>\$ 434,650</u>	<u>\$ 2,139,166</u>	<u>\$ -</u>	<u>\$ 2,573,816</u>
<i>Capital assets, being depreciated</i>				
Land Improvements	\$ 1,603,765	\$ 10,587	\$ 4,000	\$ 1,610,352
Buildings	56,844,929	617,032	176,058	57,285,903
Buses and Vehicles	2,472,380	-	-	2,472,380
Machinery and Equipment	2,795,344	189,243	237,353	2,747,234
Total capital assets, being depreciated	<u>\$ 63,716,418</u>	<u>\$ 816,862</u>	<u>\$ 417,411</u>	<u>\$ 64,115,869</u>
Less Accumulated Depreciation	<u>37,714,345</u>	<u>1,524,818</u>	<u>273,334</u>	<u>38,965,829</u>
Total capital assets, being depreciated, net	<u>\$ 26,002,073</u>	<u>\$ (707,956)</u>	<u>\$ 144,077</u>	<u>\$ 25,150,040</u>
Governmental activities capital assets, net	<u>26,436,723</u>	<u>1,431,210</u>	<u>144,077</u>	<u>27,723,856</u>
Total Primary Government	<u>\$ 26,436,723</u>	<u>\$ 1,431,210</u>	<u>\$ 144,077</u>	<u>\$ 27,723,856</u>

Depreciation expense was charged to functions/programs of the District as follows:

Government activities:	
Instruction	\$ 64,918
Support	1,414,731
Non-Instruction	<u>45,169</u>
Total depreciation expense - governmental activities	<u><u>\$ 1,524,818</u></u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2014

VI. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Capital Leases	\$ 2,335,000	\$ 19,700,000	\$ 790,000	\$ 21,245,000	\$ 1,545,000
General Obligation Debt	-	6,170,000	-	6,170,000	-
Total Governmental Activity Long-Term Liabilities	<u>\$ 2,335,000</u>	<u>\$ 25,870,000</u>	<u>\$ 790,000</u>	<u>\$ 27,415,000</u>	<u>\$ 1,545,000</u>

The sales tax fund and restricted cash are used to liquidate the capital leases. The general obligation debt will be liquidated by the debt service fund from property tax collections.

The District has also entered financing arrangements with the Ardmore Community Facilities Authority and Carter County Public Facilities Authority (see Note X). These financing arrangements are accounted for as capital leases, since for accounting purposes the title transfers at the end of lease term. The leases contain a clause which gives the District the ability to terminate the lease agreements at the end of each fiscal year.

The schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments for years ending June 30th are as follows:

<u>Year Ended June 30,</u>	<u>Amount Due</u>
2015	\$ 2,251,944
2016	\$ 2,026,194
2017	\$ 2,027,994
2018	\$ 2,034,144
2019	\$ 2,028,766
Thereafter	\$ 16,324,931
Less: Interest	<u>(5,448,973)</u>
Total	\$ 21,245,000

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2014

VI. LONG-TERM DEBT (Continued)

Leased construction in progress, buildings and equipment under capital leases in capital assets at June 30, 2014, included the following:

<i>Capital assets, not being depreciated</i>	
Construction in Progress	\$ 203,660
<i>Capital assets, being depreciated</i>	
Buildings	\$ 6,506,755
less Accumulated Depreciation	<u>(939,413)</u>
	<u><u>\$ 5,771,002</u></u>

Amortization of leased assets has been included in depreciation.

Bonds Payable at June 30, 2014 is composed of the following individual general obligation bond issues:

	Amount Outstanding
Independent School District, I-19 General Obligation Building Bonds of 2013, original issue \$4,095,000, interest rates from 0.80%, due in installment of \$1,970,000 and \$2,125,000 the final installment due 8/1/16	\$ 4,095,000
Independent School District, I-19 General Obligation Building Bonds of 2014, original issue \$2,075,000, interest rates from 0.90% to 1.15%, due in annual installments of \$515,000 and \$530,000 the final installment due 5/1/19	2,075,000
	<u><u>\$ 6,170,000</u></u>

As of June 30, 2014, the annual requirements to amortize all bond debt outstanding, including interest payments, are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	\$ -	\$ 68,625	\$ 68,625
2016	2,485,000	44,365	2,529,365
2017	2,640,000	23,350	2,663,350
2018	515,000	11,245	526,245
2019	<u>530,000</u>	<u>6,095</u>	<u>536,095</u>
Total	<u><u>\$ 6,170,000</u></u>	<u><u>\$ 153,680</u></u>	<u><u>\$ 6,323,680</u></u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2014

VI. LONG-TERM DEBT (Continued)

State statute prohibits 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, 2014 is approximately \$17,025,000.

Pledged Revenues

The District has pledged \$24,900,000 of future issuances of general obligation bonds to repay \$19,700,000 plus interest lease revenue bonds with Carter County Public Facilities Authority (CCPFA). Proceeds from the lease revenue bonds are to be for the construction and placement of improvements on real property. The general obligation bonds will be issued prior to the payment due of the lease purchase payments to Carter County Public Facilities Authority. One hundred percent of the general obligation bonds will be used to pay the lease revenue bond payments. Subsequent to year end the District issued \$2,075,000 of general obligation bonds to make the first payment on September 1, 2015. The annual payments will continue with final payment due to CCPFA on September 1, 2026.

Property tax revenues collected by the District are pledged to repay the District's General Obligation Bonds. As of June 30, 2014, \$6,170,000 general obligations were outstanding and \$24,900,000 of general obligations bonds were authorized but not issued. Current year had no payments of pledged revenues toward obligations.

VII. EMPLOYEE RETIREMENT SYSTEM

Plan Description - The District participates in the state-administered Oklahoma Teachers' Retirement System (the "System"), which is a cost-sharing, multiple-employer public employee retirement system (PERS). The administration, benefits, and funding of the System are governed by Article XVII, Section 70 of the Oklahoma Statutes. The System is administered by a board of trustees which acts as a fiduciary for investing the funds and governing the administration of the System. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Teachers' Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, Oklahoma 73152.

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 more than 20 hours per week.

ARDMORE SCHOOL DISTRICT NO. I-19
 Carter County, Oklahoma
 Notes to Financial Statements
 June 30, 2014

VII. EMPLOYEE RETIREMENT SYSTEM (Continued)

The contribution rates for the District and its employees, which are not actuarially determined, are established by Oklahoma Statutes and applied to employee's earnings plus employer-paid fringe benefits. The District is required to contribute 9.5% and plan members are required to contribute 7% of their annual salary. The District pays full-time employees' contributions as allowed by statute. The District's contributions to the System for the years ended June 30, 2014, 2013 and 2012 were \$2,427,718, \$2,467,063 and \$2,179,233 respectively.

VIII. COMMITMENTS AND 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 a defendant in 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 entered into several construction-related contracts during the fiscal year, which include additions, new construction, and remodeling of school buildings. As of June 30, 2014, the District had outstanding construction-related commitments totaling \$11,953,300 that will be financed from proceeds of past general obligation bonds and restricted cash. In addition, encumbrances related to construction contracts as of June 30, 2014 are shown below.

	Construction Commitments
Bond Fund #36	\$ 216,960
Restricted Cash	11,736,340
	\$ 11,953,300
	Encumbrances
Bond Fund #35	\$ 1,822,133

Subsequent to June 30, 2014, the District entered into \$3,027,738 of constructed-related projects to be financed from past general obligation bonds and restricted cash.

ARDMORE SCHOOL DISTRICT NO. I-19

Carter County, Oklahoma
Notes to Financial Statements
June 30, 2014

IX. RISK MANAGEMENT

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

X. LEASE REVENUE BOND AGREEMENTS

Effective October 1, 2004, the voters of the City of Ardmore, Oklahoma approved a one-fourth of one percent (1/4%) sales tax for a period of ten years of which seventy-one percent (71%) is dedicated to the Ardmore School District for the purpose of financing the acquisition, construction, furnishing and equipment of educational facilities and for other educational functions. Effective February 1, 2005, the Ardmore Community Facilities Authority (ACFA) a Trust created by the City of Ardmore under Title 60 of the Oklahoma statutes and a component unit of the City of Ardmore, issued \$7,000,000 of sales tax revenue bonds for the purpose of financing the acquisition, expansion, renovation, repairing, furnishing, equipping of school facilities. The District assigned its rights to the sales tax revenue to the Authority to fund the debt service requirements of the revenue bonds. The capital assets acquired and constructed have been shown as capital assets on the District's statement of net position and the remaining amounts due to the Authority under the arrangement is included as a long-term liability. For the year ended June 30, 2014 the District had received \$972,660 of dedicated sales tax from the City of Ardmore and that it is shown as operating contribution in the statement of activities—regulatory basis.

The Authority's financial statements are included in the City of Ardmore's financial reporting entity and can be obtained from the City of Ardmore's finance director.

On September 1, 2013, the Board of Education entered into ground lease and sublease agreements with the Carter County Public Facilities Authority (CCPFA), a public trust, for the purpose of facilitating the issuance of the bonds, to provide security for payment of the bonds, and to enable the District to utilize the bond proceeds for the construction and placement of improvements on real property. The lease agreements will remain in effect to June 30, 2027. The Authority advanced \$19,700,000 in lease revenue bonds, series 2013, to the District for the acquisition and construction of buildings and improvements. The District will use money received from General Obligation Debt to repay the lease. The advanced funds are being held in a trust and District remits applications for payments. Lease agreement closing costs, fees, bond interest and construction expenditures were paid from the advanced funds as of June 30, 2014. The remaining balance of the advanced fund is reported as Restricted Cash on the Statement of Net Position. Interest is due semi-annually beginning on March 1, 2014. For year ended June 30, 2014, \$304,651 of interest had been paid from the advanced funds.

ARDMORE SCHOOL DISTRICT NO. I-19

Carter County, Oklahoma
Notes to Financial Statements
June 30, 2014

XI. SUBSEQUENT EVENTS

The District's largest taxpayer protested its 2013 Ad Valorem tax assessment, resulting in decreased tax collections in the General Fund and Building fund for fiscal year ended June 30, 2014. The protest was settled in November 2014, and the District received ad valorem taxes in the amount of \$1,397,370 and \$199,680 for General Fund and Building Fund purposes, respectively.

In May 2014, the District applied through the Okla. Dept. of Education and was approved for the Community Eligibility Provision, which is a program through the USDA that allows schools that have 40% or higher directly certified free students to offer 100% of their students free meals. This program became effective for the 2014-2015 school year.

The Jefferson Elementary Addition and Renovation bond project was completed in October 2014.

In addition to its 2013 tax protest, the District's largest taxpayer protested its 2014 Ad Valorem tax assessment. Both of these protests were settled in November 2014. The District worked with the Carter County Assessor and the Oklahoma State Department of Education to adjust the state aid and salary incentive mid-term calculations to include the 2014 adjusted net assessed valuation in order to insure the ad valorem chargeable reflected the appropriate 2014 adjusted net assess valuation. The 2013 protested valuation of the District's largest taxpayer resulted in \$1,595,646 increase in the 2014-2015 state aid and salary incentive allocation, less other chargeable. In fiscal year 2015-2016, the 2013 tax settlement will result in an \$894,317 decrease in the state aid and salary incentive allocation.

The Board of Education approved the sale of \$2,075,000 general obligation bonds in December 2014; the proceeds were received by the District on March 19, 2015.

In January 2015, the final payment was issued against the lease revenue bond agreement with the Ardmore Community Facilities Authority. In February 2015 and March 2015, the District received \$1,026,960 and \$76, respectively, distributions of excess sales tax revenues from the Ardmore Community Facilities Authority. This distribution is restricted by the original sales tax agreement dated February 1, 2005, for the purpose of financing the acquisition, construction, furnishing and equipping of educational facilities and for other educational functions.

OTHER INFORMATION

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Budgetary Comparison Schedule –General Fund (Unaudited)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUE				
Property Taxes	\$ 5,545,635	\$ 5,545,635	\$ 4,542,126	\$ (1,003,509)
Interest	7,335	7,335	8,484	1,149
County Revenue	508,950	508,950	581,423	72,473
State Revenue	11,935,407	11,935,407	12,149,849	214,442
Federal Revenue	2,574,192	2,574,192	2,308,141	(266,051)
Other	<u>1,140,783</u>	<u>1,140,783</u>	<u>1,139,997</u>	<u>(786)</u>
Total Revenue	<u>\$ 21,712,302</u>	<u>\$ 21,712,302</u>	<u>\$ 20,730,020</u>	<u>\$ (982,282)</u>
EXPENDITURES				
Current				
Instruction	\$ 15,338,803	\$ 15,338,803	12,542,550	\$ 2,796,253
Support Services	8,966,933	8,966,933	8,966,933	-
Non-instruction Services	81,313	81,313	81,313	-
Other Outlays	<u>307,044</u>	<u>307,044</u>	<u>307,044</u>	<u>-</u>
Total Expenditures	<u>\$ 24,694,093</u>	<u>\$ 24,694,093</u>	<u>\$ 21,897,840</u>	<u>\$ 2,796,253</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,981,791)	\$ (2,981,791)	\$ (1,167,820)	\$ 1,813,971
Adjustments to Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>3,952</u>	<u>3,952</u>
Net Change in Fund Balance	(2,981,791)	(2,981,791)	(1,163,868)	1,817,923
Fund Balance - Beginning	<u>2,981,791</u>	<u>2,981,791</u>	<u>2,981,791</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,817,923</u></u>	<u><u>\$ 1,817,923</u></u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Budgetary Comparison Schedule –Building Fund (Unaudited)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUE				
Property Taxes	\$ 792,455	\$ 792,455	\$ 647,014	\$ (145,441)
Interest	873	873	1,659	786
Other	<u>52,212</u>	<u>52,212</u>	<u>-</u>	<u>(52,212)</u>
Total Revenue	<u>\$ 845,540</u>	<u>\$ 845,540</u>	<u>\$ 648,673</u>	<u>\$ (196,867)</u>
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	687,780	687,780	626,487	61,293
Non-instruction Services	6,691	6,691	-	6,691
Capital Outlay	843,735	843,735	71,914	771,821
Other Outlays	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 1,538,206</u>	<u>\$ 1,538,206</u>	<u>\$ 698,401</u>	<u>\$ 839,805</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(692,666)	(692,666)	(49,728)	642,938
Adjustments to Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Net Change in Fund Balance	(692,666)	(692,666)	(48,728)	643,938
Fund Balance - Beginning	<u>692,666</u>	<u>692,666</u>	<u>692,666</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 643,938</u>	<u>\$ 643,938</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Combining Balance Sheet – Regulatory Basis – Other Governmental Funds
June 30, 2014

	Sinking Fund	Coop Fund	Child Nutrition Fund	Sales Tax Fund	Gifts Fund	Take II Fund	Activity Fund	Endowment Fund	Total
Assets									
Cash and Cash Investments	\$ 46,189	\$ 162,392	\$ 311,239	\$ 682,814	\$ 40,538	\$ 8,355	\$ 438,570	\$ 26,917	\$ 1,717,014
Investments	-	-	-	-	-	-	-	37,666	37,666
Total Assets	\$ 46,189	\$ 162,392	\$ 311,239	\$ 682,814	\$ 40,538	\$ 8,355	\$ 438,570	\$ 64,583	\$ 1,754,680
Liabilities									
Warrants Payable	\$ -	\$ 26,391	\$ 104,502	\$ -	\$ 750	\$ 1,369	20,265	\$ -	\$ 153,277
Reserve for Encumbrances	-	-	-	227,524	-	-	-	-	227,524
Total Liabilities	\$ -	\$ 26,391	\$ 104,502	\$ 227,524	\$ 750	\$ 1,369	\$ 20,265	\$ -	\$ 380,801
Fund Balances									
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,166	\$ 51,166
Restricted	46,189	135,956	206,644	454,681	39,613	6,986	-	13,417	903,486
Committed	-	-	-	-	-	-	418,305	-	418,305
Assigned	-	45	93	609	175	-	-	-	922
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	46,189	136,001	206,737	455,290	39,788	6,986	418,305	64,583	1,373,879
Total Liabilities and Fund Balances	\$ 46,189	\$ 162,392	\$ 311,239	\$ 682,814	\$ 40,538	\$ 8,355	\$ 438,570	\$ 64,583	\$ 1,754,680

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Combining Statement of Revenue, Expenditures and Changes in Fund Balance – Regulatory Basis
– Other Governmental Funds
For the Year Ended June 30, 2014

	Sinking Fund	Coop Fund	Child Nutrition Fund	Sales Tax Fund	Gifts Fund	Take II Fund	Activity Fund	Endowment Fund	Total
REVENUE									
Property Taxes	\$ 82	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82
Interest	1,100	45	93	609	175	-	1,444	2,422	5,888
County Revenue	-	-	-	777,410	-	-	-	-	777,410
State Revenue	-	207,238	202,643	-	-	-	-	-	409,881
Federal Revenue	-	-	1,246,500	-	-	-	-	-	1,246,500
Other	901	340,569	230,480	972,660	1,000	46,710	1,188,171	-	2,780,491
Total Revenue	<u>\$ 2,083</u>	<u>\$ 547,852</u>	<u>\$ 1,679,716</u>	<u>\$ 1,750,679</u>	<u>\$ 1,175</u>	<u>\$ 46,710</u>	<u>\$ 1,189,615</u>	<u>\$ 2,422</u>	<u>\$ 5,220,252</u>
EXPENDITURES									
Current									
Instruction	\$ -	\$ 317,715	\$ -	\$ 190,249	\$ -	\$ 66,387	\$ 62,463	\$ -	\$ 636,814
Support Services	-	174,543	-	132,480	11,750	16,942	419,814	-	755,529
Non-instruction Services	-	-	1,648,395	-	-	-	342,327	-	1,990,722
Capital Outlay	-	-	5,405	-	-	-	16,187	-	21,592
Other Outlays	-	1,654	802	972,660	-	-	354,804	4,100	1,334,020
Total Expenditures	<u>\$ -</u>	<u>\$ 493,912</u>	<u>\$ 1,654,602</u>	<u>\$ 1,295,389</u>	<u>\$ 11,750</u>	<u>\$ 83,329</u>	<u>\$ 1,195,595</u>	<u>\$ 4,100</u>	<u>\$ 4,738,677</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,083	53,940	25,114	455,290	(10,575)	(36,619)	(5,980)	(1,678)	481,575
Fund Balances, Beginning	44,106	82,061	181,623	-	50,363	43,605	424,285	66,261	892,304
Fund Balances, Ending	<u>\$ 46,189</u>	<u>\$ 136,001</u>	<u>\$ 206,737</u>	<u>\$ 455,290</u>	<u>\$ 39,788</u>	<u>\$ 6,986</u>	<u>\$ 418,305</u>	<u>\$ 64,583</u>	<u>\$ 1,373,879</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Supplemental Schedule
Combining Statement of Assets and Fund Balances – Activity Fund
For the Year Ended June 30, 2014

	Balance 6/30/2013	Receipts	Adjusting Entries	Checks	Balance 6/30/2014
Unit 50 ADMINISTRATION					
Project 887 ODYSSEY OF THE MIND	\$ 100	\$ -	\$ -	\$ -	\$ 100
Project 888 SPIRIT OF THE TIGERS	4,324	9,847	-	7,175	6,996
Project 889 ADULT BASIC EDUCATION	439	5,505	201	5,492	653
Project 892 COMMUNITY EDUCATION	201	-	(201)	-	-
Project 894 ACS BIGGEST LOSER	107	1,006	-	894	219
Project 895 ACS ELEMENTARY MUSIC	3,972	19,400	-	22,512	860
Project 896 HUGS	35,989	69,392	-	65,930	39,451
Project 899 OPERATIONAL	38,910	48,578	-	49,735	37,753
Project 901 UNITED WAY DONATION ACCOUNT	1,513	-	-	1,359	154
Project 906 CLEARING ACCOUNT	-	127	-	127	-
Project 907 SPECIAL OLYMPICS	1,134	2,151	-	2,155	1,130
Project 912 ACS IECBOOSTER	3,778	-	-	-	3,778
Project 917 SUNSHINE WELFARE	340	298	-	306	332
Project 939 PUBLIC RELATIONS/CURRICULUM	445	-	-	-	445
Project 962 CHILD NUTRITION	-	194,613	-	194,613	-
Project 971 RED RIVER CLASSIC	134	-	-	-	134
Total Unit 50	<u>91,386</u>	<u>350,917</u>	<u>-</u>	<u>350,298</u>	<u>92,005</u>
Unit 70 Transportation					
Project 898 Transportation	72	-	-	53	19
Total Unit 70	<u>72</u>	<u>-</u>	<u>-</u>	<u>53</u>	<u>19</u>
Unit 110 CHARLES EVANS ELEMENTARY					
Project 801 CHARLES EVANS	12,638	51,227	(28)	55,966	7,871
Project 802 CHARLES EVANS LIBRARY	290	6,439	-	6,520	209
Project 803 CHARLES EVANS PTO	14,131	14,282	-	23,020	5,393
Project 906 CLEARING ACCOUNT	-	313	-	313	-
Project 911 CHARLES EVANS WELFARE	193	1,102	28	496	827
Total Unit 110	<u>27,252</u>	<u>73,363</u>	<u>-</u>	<u>86,315</u>	<u>14,300</u>
Unit 115 FRANKLIN					
Project 807 FRANKLIN SCHOLARSHIP	1,550	-	-	-	1,550
Total Unit 115	<u>1,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,550</u>
Unit 120 JEFFERSON ELEMENTARY					
Project 811 JEFFERSON	13,980	23,117	-	21,778	15,319
Project 812 JEFFERSON LIBRARY	409	2,107	-	1,817	699
Project 813 JEFFERSON PTO	1,792	4,687	-	4,855	1,624
Project 818 JEFFERSON STAFF ACTIVITY	878	753	-	464	1,167
Project 819 JEFFERSON CHRISTMAS	9,997	9,150	-	9,286	9,861
Project 906 CLEARING ACCOUNT	-	27	-	27	-
Total Unit 120	<u>27,056</u>	<u>39,841</u>	<u>-</u>	<u>38,227</u>	<u>28,670</u>
Unit 125 LINCOLN ELEMENTARY					
Project 808 LINCOLN SUNSHINE ACCOUNT	324	1,090	-	1,073	341
Project 814 LINCOLN	6,180	27,475	-	23,265	10,390
Project 815 LINCOLN LIBRARY	1,202	3,278	-	3,004	1,476
Project 816 LINCOLN PTO	2,152	2,513	-	2,299	2,366
Project 906 CLEARING ACCOUNT	-	200	-	200	-
Total Unit 125	<u>9,858</u>	<u>34,556</u>	<u>-</u>	<u>29,841</u>	<u>14,573</u>
Unit 135 WILL ROGERS ELEMENTARY					
Project 804 WILL ROGERS ACTIVITY	3,779	47,077	-	34,428	16,428
Project 805 WILL ROGERS LIBRARY	1,995	47	-	-	2,042
Project 806 WILL ROGERS WELFARE	934	566	-	1,000	500
Project 817 WILL ROGERS PTO	852	10,114	-	6,232	4,734
Project 906 CLEARING ACCOUNT	-	247	-	247	-
Total Unit 135	<u>7,560</u>	<u>58,051</u>	<u>-</u>	<u>41,907</u>	<u>23,704</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Supplemental Schedule
Combining Statement of Assets and Fund Balances – Activity Fund
For the Year Ended June 30, 2014

	Balance 6/30/2013	Receipts	Adjusting Entries	Checks	Balance 6/30/2014
Unit 505 ARDMORE MIDDLE SCHOOL					
Project 826 AMS VOCAL MUSIC	1,620	7,320	-	7,349	1,591
Project 827 AMS POM SQUAD	253	5,478	-	2,277	3,454
Project 828 AMS MISCELLANEOUS	2,709	6,862	-	7,234	2,337
Project 829 AMS CHEERLEADERS	5,507	646	-	5,343	810
Project 831 AMS ART	1,699	-	-	-	1,699
Project 832 AMS STUDENT COUNCIL	623	87	-	-	710
Project 833 AMS FCCLA	-	175	-	102	73
Project 834 AMS NJHS	6,116	44,191	-	45,413	4,894
Project 835 AMS 4-H	-	4,056	(173)	3,409	474
Project 836 AMS AVID CLUB	1,775	2,136	-	1,320	2,591
Project 884 AMS LIBRARY	1,459	1,331	-	1,403	1,387
Project 893 AMS ENVIRONMENTAL CAMP	2,907	2,644	-	2,579	2,972
Project 906 CLEARING ACCOUNT	-	37	-	37	-
Project 923 AMS DRAMA CLUB	594	-	(51)	-	543
Project 926 AMS PTT	4,984	2,484	51	2,217	5,302
Project 928 AMS TIGER DEN	8,796	-	-	837	7,959
Project 931 AMS YEARBOOK	2,440	680	-	1,783	1,337
Project 933 AMS TEACHERS' FLOWER FUND	262	-	-	97	165
Project 946 AMS OUTDOOR CLASSROOM	564	-	-	-	564
Project 953 AMS SPORTS ACCOUNT	902	29,937	-	29,324	1,515
Total Unit 505	<u>43,210</u>	<u>108,064</u>	<u>(173)</u>	<u>110,724</u>	<u>40,377</u>
Unit 705 ARDMORE HIGH SCHOOL					
Project 837 AHS ART	352	793	-	687	458
Project 838 AHS ATHLETICS	31,097	100,727	2,176	111,579	22,421
Project 839 AHS BAND	1,456	115,226	(241)	114,461	1,980
Project 841 AHS BAND BOOSTER CLUB	25,239	36,156	241	41,883	19,753
Project 843 AHS VOCAL MUSIC	650	6,200	-	4,648	2,202
Project 844 AHS TEST FEES	1,291	5,613	-	5,534	1,370
Project 845 AHS CLASS OF 2015	959	7,552	-	2,696	5,815
Project 846 AHS CLASS OF 2014	4,537	2,789	88	6,114	1,300
Project 847 AHS CLASS OF 2016	393	1,298	-	67	1,624
Project 848 AHS CLASS OF 2017	-	770	-	105	665
Project 852 AHS CRITERION	5,120	13,073	-	16,830	1,363
Project 853 AHS STUDENT CRIME STOPPERS	1,000	-	-	-	1,000
Project 855 AHS POM SQUAD	1,641	11,189	-	11,586	1,244
Project 856 AHS DUGOUT CLUB	13,528	40,460	(224)	42,072	11,692
Project 857 AHS FORENSICS	380	1,390	-	888	882
Project 858 AHS AVID	284	-	-	59	225
Project 859 AHS FCCLA	507	15,079	173	13,489	2,270
Project 861 AHS TECHNOLOGY CLUB	12	-	-	-	12
Project 863 AHS LIBRARY	71	41	-	-	112
Project 864 AHS MISCELLANEOUS	2,597	2,495	-	1,477	3,615
Project 865 AHS NATIONAL HONOR SOCIETY	491	265	-	540	216
Project 866 AHS QUARTERBACK CLUB	14,448	16,655	-	13,306	17,797
Project 867 AHS SCIENCE CLUB	1,705	-	-	-	1,705
Project 868 AHS CLASS OF 2013	88	-	(88)	-	-
Project 869 AHS INTERNATIONAL CLUB	671	169	-	300	540
Project 871 AHS STRINGS/ORCHESTRA	5,527	13,163	-	10,314	8,376
Project 872 AHS STUDENT COUNCIL	2,540	8,836	-	9,305	2,071
Project 873 AHS TAKEDOWN CLUB	1,505	1,555	-	2,440	620
Project 874 AHS TENNIS CLUB	5,086	6,410	(200)	5,332	5,964
Project 875 AHS COALITION OF GEEKS	510	-	-	-	510
Project 877 AHS QB CLUB/NOBLE MAINTENANCE	645	-	-	-	645
Project 878 AHS VARSITY CHEERLEADERS	6,477	15,985	-	17,847	4,615
Project 897 AHS TIGER TRACK MEET	2,600	1,000	-	1,702	1,898

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Supplemental Schedule
Combining Statement of Assets and Fund Balances – Activity Fund
For the Year Ended June 30, 2014

	Balance		Adjusting		Balance
	6/30/2013	Receipts	Entries	Checks	6/30/2014
Unit 705 ARDMORE HIGH SCHOOL (continued)					
Project 906 CLEARING ACCOUNT	-	105	-	105	-
Project 913 AHS NATIVE AMERICAN CLUB	7,050	2,632	-	6,752	2,930
Project 918 AHS GIRLS FASTPITCH CLUB	7,593	31,373	-	32,927	6,039
Project 921 AHS STATE TRACK MEET	532	-	-	-	532
Project 922 AHS HOLIDAY FESTIVAL	-	21,830	-	17,220	4,610
Project 938 AHS BENEVOLENCE	250	455	-	157	548
Project 943 AHS FOOTBALL CAMP	33,314	28,524	-	22,699	39,139
Project 945 AHS ADVERTISING REVENUE	19,791	7,225	(1,752)	7,687	17,577
Project 951 AHS FAST-BREAK CLUB	2,478	-	-	1,958	520
Project 964 AHS SPORTS MEDICINE	271	420	-	683	8
Project 972 AHS GOLF	9,703	7,370	-	12,362	4,711
Project 977 AHS INCENTIVE ACCOUNT	<u>1,952</u>	<u>-</u>	<u>-</u>	<u>419</u>	<u>1,533</u>
Total Unit 705	<u>216,341</u>	<u>524,823</u>	<u>173</u>	<u>538,230</u>	<u>203,107</u>
Grand Total	<u>\$ 424,285</u>	<u>\$ 1,189,615</u>	<u>\$ -</u>	<u>\$ 1,195,595</u>	<u>\$ 418,305</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Supplemental Schedule
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

	Federal CFDA Number	Pass Through Grantor's Project Number	Balance 6/30/2013	Federal Grant Receipts	Federal Grant Cash Basis Expenditures	Balance 6/30/2014
<i>U.S. Dept. of Interior</i>						
Direct Program						
Johnson O'Malley Indian Education Assistance to Schools	15.130	563	\$ (24,221)	\$ 50,649	\$ 33,981	\$ (7,553)
Total U.S. Department of Interior			<u>\$ (24,221)</u>	<u>\$ 50,649</u>	<u>\$ 33,981</u>	<u>\$ (7,553)</u>
<i>U.S. Dept. of Education</i>						
Direct Program						
Title VIII - Impact Aid	84.041	591, 592	\$ -	\$ 74,428	\$ 74,428	\$ -
Title VII - Indian Education Formula Grant	84.060A	561	-	152,754	152,754	-
			<u>\$ -</u>	<u>\$ 227,182</u>	<u>\$ 227,182</u>	<u>\$ -</u>
<i>Passed Through State Department of Education:</i>						
Title I, Part A	84.010	511, 515, 518	\$ (279,154)	\$ 879,450	\$ 840,818	\$ (240,522)
Title I Cluster			<u>\$ (279,154)</u>	<u>\$ 879,450</u>	<u>\$ 840,818</u>	<u>\$ (240,522)</u>
IDEA, Part B - Flow Through	84.027	613, 621, 625	\$ (154,176)	\$ 627,565	\$ 629,310	\$ (155,921)
IDEA, Part B - Preschool, Ages 3-5	84.173	641	(3,864)	16,110	16,205	(3,959)
Special Education Cluster			<u>\$ (158,040)</u>	<u>\$ 643,675</u>	<u>\$ 645,515</u>	<u>\$ (159,880)</u>
Title II, Part A - Improving Teacher and Principal Quality	84.367	541, 543	(49,556)	188,212	200,318	(61,662)
Title III, Part A - Limited English Proficiency	84.365	572	8	24,181	28,782	(4,593)
Title VI, Part B Rural and Low-Income School Program	84.358B	587	(5,221)	63,688	58,467	-
Job Training	84.126	456	-	605	605	-
Gear Up Grant	84.334	770	14,214	91,979	77,341	28,852
Adult Education and Literacy	84.002	731	(22,944)	92,438	179,177	(109,683)

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Supplemental Schedule
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

	Federal CFDA Number	Pass Through Grantor's Project Number	Balance 6/30/2013	Federal Grant Receipts	Federal Grant Cash Basis Expenditures	Balance 6/30/2014
<i>U.S. Dept. of Education - continued</i>						
<i>Passed Through State Department of Education:</i>						
Title X, Part C - McKinney-Vento Homeless	84.196	596	(860)	16,687	18,768	(2,941)
Total U.S. Department of Education			<u>\$ (501,553)</u>	<u>\$ 2,228,097</u>	<u>\$ 2,276,973</u>	<u>\$ (550,429)</u>
<i>U.S. Department of Agriculture</i>						
<i>Passed Through State Department of Education:</i>						
National School Lunch Program	10.555	763	\$ -	\$ 895,095	\$ 895,095	\$ -
School Breakfast Program	10.553	764	-	332,178	332,178	-
Summer Food Service Program	10.559	766	(19,227)	19,227	23,040	(23,040)
Lunch Program - Commodities	10.555	763	-	108,323	108,323	-
Summer Food Service Program -Commodities	10.559	766	-	2,789	2,789	-
Child Nutrition Cluster			<u>\$ (19,227)</u>	<u>\$ 1,357,612</u>	<u>\$ 1,361,425</u>	<u>\$ (23,040)</u>
Total U.S. Department of Agriculture			<u>\$ (19,227)</u>	<u>\$ 1,357,612</u>	<u>\$ 1,361,425</u>	<u>\$ (23,040)</u>
<i>U.S. Department of Health and Human Services</i>						
<i>Passed Through centers for Medicare and Medicaid and Oklahoma Health Care Authority:</i>						
Medical Assistance Program (Medicaid)	93.778	698	\$ -	\$ 29,393	\$ 29,393	\$ -
Total U.S. Dept. of Health and Human Services			<u>\$ -</u>	<u>\$ 29,393</u>	<u>\$ 29,393</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ (545,001)</u>	<u>\$ 3,665,751</u>	<u>\$ 3,701,772</u>	<u>\$ (581,022)</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Basis of Presentation: The schedule of expenditures of federal awards includes the federal grant activity of Ardmore School District I-19, Carter County, Oklahoma. The schedule of expenditures of federal awards is prepared using the cash basis of accounting. 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.



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

To the Board of Education
Ardmore School District, No. I-19, Carter County, Oklahoma
Ardmore, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ardmore School District No. I-19, Carter County, Oklahoma, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Ardmore School District No. I-19, Carter County, Oklahoma's basic financial statements and have issued our report thereon dated March 19, 2015. Our opinions were modified because the District prepares its financial statements on a prescribed regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ardmore School District No. I-19, Carter County, Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ardmore School District No. I-19, Carter County, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of Ardmore School District No. I-19, Carter County, Oklahoma's internal control.

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

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ardmore School District No. I-19, Carter 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*.

Ardmore School District No. I-19's Response to Findings

Ardmore School District No. I-19, Carter County, Oklahoma's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Ardmore School District No. I-19, Carter County, Oklahoma's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rakhal Henderson Johnson, PLLC

Ardmore, Oklahoma
March 19, 2015



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

To the Board of Education
Ardmore School District, No. I-19, Carter County, Oklahoma
Ardmore, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Ardmore School District, No. I-19, Carter 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 Ardmore School District, No. I-19, Carter County, Oklahoma's major federal programs for the year ended June 30, 2014. Ardmore School District, No. I-19, Carter County, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Ardmore School District, No. I-19, Carter County, Oklahoma's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ardmore School District, No. I-19, Carter County, Oklahoma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Ardmore School District, No. I-19, Carter County, Oklahoma's compliance. .

Opinion on Each Major Federal Program

In our opinion, Ardmore School District, No. I-19, Carter County, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Ardmore School District, No. I-19, Carter County, Oklahoma is responsible for establishing and maintaining effective internal control over compliance referred to above. In planning and performing our audit, we considered Ardmore School District, No. I-19, Carter County, Oklahoma's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Ardmore School District, No. I-19, Carter County, Oklahoma's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Rakhal Henderson Johnson, PLLC

Ardmore, Oklahoma
March 19, 2015

ARDMORE SCHOOL DISTRICT I-19
 Carter County, Oklahoma
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2014

Section I Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued			Unmodified
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ X No	
Significant Deficiency(ies) identified?	_____ Yes	_____ X None Reported	
Noncompliance material to financial statement	_____ Yes	_____ X No	

Federal Awards:

Internal control over major program:			
Material weakness(es) identified?	_____ Yes	_____ X No	
Significant Deficiency(ies) identified ?	_____ Yes	_____ X None Reported	

Type of auditors' report issued on compliance for major programs:			Unmodified
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>
84.010	Title I, Grants to Local Education Agencies
10.553; 10.555; 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$		300,000
Auditee qualified as a low-risk auditee?	_____ Yes	_____ X No	

ARDMORE SCHOOL DISTRICT I-19
Carter County, Oklahoma
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

ARDMORE SCHOOL DISTRICT I-19
Carter County, Oklahoma
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014

Financial Statement Findings

2013-1 Activity Fund Receipts

Condition: Funds are not being turned to the financial secretary timely.

Recommendation: The auditor recommended that deposits be made timely.

Current Status: No material noncompliance noted in current year.

Federal Award Findings and Questioned Costs

None

Other Oklahoma Department of Education Requirements

ARDMORE SCHOOL DISTRICT I-19
Carter County, Oklahoma
Schedule of Accountant's Professional Liability Insurance Affidavit (unaudited)
For the Year Ended June 30, 2014

The District has a public official position bond with Western Surety Company. The bond number is 71188518. This bond covers the superintendent for \$100,000. The term is July 1, 2013 to June 30, 2014.

The District has a public official position bond with Western Surety Company. The bond number is 69537183. This bond covers the treasurer for \$100,000. The term is July 1, 2013 to June 30, 2014.

The District has a blanket bond with Western Surety Company, bond number 70784644 for various positions including the minutes clerk, encumbrance clerk and activity fund custodian, in the amount of \$100,000. The term is July 1, 2013 to June 30, 2014.

ARDMORE SCHOOL DISTRICT I-19
Carter County, Oklahoma
Schedule of Accountant's Professional Liability Insurance Affidavit (unaudited)
For the Year Ended June 30, 2014

State of Oklahoma)

County of Carter)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Ardmore School District I-19 for the audit year 2013-2014.

RAHHAL HENDERSON JOHNSON, PLLC

BY: Mary E. Johnson
Authorized Agent

Subscribed and sworn to before me on this 23rd day of, March, 2015.

Jimmie Shelton
Notary Public

Jimmie Shelton
State of Oklahoma
Notary Public
Commission # 99015459
Expires: September 17, 2015

Commission Number: 99015459

My commission expires on: 17th day of, Sept, 2015