



Edmond Public Schools
Oklahoma County, Oklahoma
Financial Statements
Year-End June 30, 2014

RHJ

Edmond Independent School District No. 12
Oklahoma County, Oklahoma
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June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Edmond Independent School District No.12, Oklahoma County, Oklahoma, as of and for the year ended June 30, 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 of the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1, the financial statements are prepared by Edmond Independent School District No.12, Oklahoma County, Oklahoma, on the basis of the financial reporting provisions of Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Edmond Independent School District No.12, Oklahoma County, Oklahoma, as of June 30, 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 the governmental activities, each major fund, and the aggregate remaining fund information of the Edmond Independent School District No.12, Oklahoma County, Oklahoma, as of June 30, 2014, and the respective changes in financial position on a regulatory basis thereof for the year then ended in conformity with 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 Edmond Independent School District No.12, Oklahoma County, Oklahoma’s basic financial statements as a whole. The management discussion and analysis, budgetary comparison schedules, combining nonmajor fund financial statements, statement of changes in activity fund subaccounts and statement of statutory fidelity and honesty bonds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements, statement of changes in activity fund subaccounts and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12 2015, on our consideration of the Edmond Independent School District No.12, Oklahoma County, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Edmond Independent School District No.12, Oklahoma County, Oklahoma's internal control over financial reporting and compliance.

Rahhal Henderson Johnson, PLLC

Ardmore, Oklahoma
January 12, 2015

EDMOND PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 12

Management's Discussion and Analysis
June 30, 2014

This section of Edmond Public Schools Independent School District No.12's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2014. Please read it in conjunction with the District's financial statements, which immediately follow this section.

VIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Management's Discussion and Analysis
June 30, 2014

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

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

District-wide Statements

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

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

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

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

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

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

Management's Discussion and Analysis
June 30, 2014

Fund Financial Statements

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	2012	2013	2014
Current and other assets	\$126.6	\$128.2	\$137.7
Capital assets	288.0	312.4	331.6
Total assets	\$414.6	\$440.6	\$469.3
Long-term obligations	\$118.1	\$124.6	\$135.6
Other liabilities	19.4	19.1	20.9
Total liabilities	\$137.5	\$143.7	\$156.5
Net position:			
Invested in capital assets, net of debt	\$213.1	\$232.7	\$251.4
Restricted	29.4	32.5	33.5
Unrestricted	34.6	31.7	27.9
Total net position	\$277.1	\$296.9	\$312.8

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

Management's Discussion and Analysis
June 30, 2014

Net Position

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

Table A-3
Edmond Public Schools
Changes in Net Position
(in millions of dollars)

	2012	2013	2014
Revenues			
Program revenues			
Charges for services	\$11.3	\$11.8	\$12.3
Federal and State grants	14.8	14.3	13.7
General revenues			
Property taxes	95.6	98.9	102.6
Other taxes	14.8	15.2	16.0
Federal entitlement	3.3	--	--
State entitlement	44.9	44.8	44.8
Other general revenues	1.2	1.1	1.1
Total revenues	\$185.9	\$186.1	\$190.5
Expenses			
Program expenses			
Instruction	\$80.8	\$84.5	\$88.1
Support services	57.3	58.3	61.0
Non-instruction	10.7	11.0	12.5
Interest on long-term debt	3.9	2.5	2.4
Depreciation-unallocated	9.2	10.0	10.6
Total expenses	\$161.9	\$166.3	\$174.6
Increase in net position	\$24.0	\$19.8	\$15.9
Beginning Net Position	253.1	277.1	296.9
Ending Net Position	\$277.1	\$296.9	\$312.8

EDMOND PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 12

Management's Discussion and Analysis
June 30, 2014

Changes in Net Position

In 2014 the District's revenues increased \$4.4 million from the prior year (See Table A-3). The most significant variances from the prior year were in property and other taxes.

Revenue from property taxes increased \$3.7 million from the prior year. This increase resulted from an increase of 4.5% in the District's property valuation from \$1.486 billion to \$1.553 billion, offset by a decrease in the millage rate from 66.47 to 66.25 mills. The millage rate varies from year to year because of the changing sinking fund levy as old bonds are retired and new bonds are added. When planning bond elections, the District strives to maintain the millage rates as level as possible within the range of 66.26 to 67.26 mills.

The \$800,000 increase in other taxes results from motor vehicle tax collections. Collections in 2014 reflected the largest increase since the voter approved reduction of registration fees in October 2000. The change in law provided that school districts would be guaranteed the same monthly collections as the prior year. Only in the last couple of years have collections surpassed the guaranteed minimum.

Program expenses increased \$8.3 million. \$3.6 million of the increase was in instruction with another \$2.7 million increase in support services. These increases support the rising student population which grew by 519 students from 22,501 in 2013 to 23,020 in 2014.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District's funds are reflected in the balance sheet for governmental funds report on page 15. The District's balance sheet for all funds reflects a combined fund balance of \$80.3 million, an increase of \$6.2 million over the prior year. The overall increase is primarily attributed to a \$10.6 million increase in capital project funds (bond funds), offset by decreases of \$3.8 million in the general fund, \$367,000 in the building fund and \$258,000 in the child nutrition fund.

General Fund Budgetary Highlights for 2014

In the general fund, local revenue increased consistent with the increase in property valuations in the District. State revenue increased primarily due to increased motor vehicle collections. State aid decreased by \$827,000 while employee health insurance reimbursement increased by \$828,000.

During the period from 2009 through 2012, the District received \$21 million in federal stimulus funding. The District had positioned itself with a healthy fund balance at the end of 2012 to absorb the loss of federal funding in 2013 and began to spend fund balance in 2013 in response to the federal "funding cliff." Lost federal revenues have not been fully replaced and the utilization of fund balance continued into 2014.

Federal program revenue is received on a reimbursement basis. With knowledge of the impending sequestration cuts and in an effort to minimize the effect on program services in the succeeding year, federal program spending was limited in 2013 to allow carryover funds into 2014. The carryover

EDMOND PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 12

Management's Discussion and Analysis
June 30, 2014

funds spent and reimbursed in 2014 produced revenue higher than the previous year even though current allocations were lower.

The District continues to be consistent in its spending patterns. Payroll costs were 95.1% of expenditures and 62% of the budget was spent on instruction.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

During 2014, the District completed \$11.4 million in construction projects, including renovations to John Ross Elementary and Boulevard Academy, new running tracks at Cheyenne and Summit middle schools, track resurfacing at all three high schools, secured entrances for the final remaining sites: Central and Sequoyah middle schools and Ida Freeman and Russell Dougherty elementary schools, and flooring at Cheyenne and Summit middle schools.

On June 30, 2014, the District had bond funds available, including accumulated interest, of \$54.5 million, which will be spent on capital projects including a new elementary school, a new middle school, classroom additions, site renovations, custodial building renovations, instructional equipment, technology, and energy conservation initiatives. Accumulated bond fund interest accounted for \$2.5 million of the bond funds available.

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

Long-term Debt

At fiscal year end, the District had \$134.7 million in total long-term debt outstanding. This is a net increase of \$11 million from last year's amount of \$123.7 million. The District issued new bonds totaling \$45 million and retired \$34 million of outstanding bonds.

A proposed bond issue for \$90.66 million will be presented to voters February 10, 2015. If approved, the bonds will be issued in four series over two years in a plan which will minimize fluctuations in patrons' taxes as well as stagger construction requirements. The Edmond community will be asked to approve funding for dual purpose spaces at thirteen schools to meet space demands for growth and also serve as storm shelters in the first phase of a District plan to provide storm shelters in all of our schools. These spaces will be classrooms, media centers, gymnasiums, multi-purpose rooms, and a band room to satisfy the particular needs of each school. Also planned are football stadium and tennis court improvements, land purchase for a future elementary/middle school site, school buses and other transportation equipment, fire system upgrades, parking and road improvements, and playground improvements. The bond issue will also include continuing financial support for technology, roofing, flooring, HVAC, school safety and security, and school equipment.

EDMOND PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 12

Management's Discussion and Analysis
June 30, 2014

FACTORS BEARING ON THE DISTRICT'S FUTURE

During the 2014 legislative session, the Legislature appropriated the previously unfunded 2013 Ad Valorem Reimbursement Fund to reimburse school districts for lost tax revenue due to tax exempt manufacturing property within their boundaries. Although this funding source is uncertain from year-to-year, it does not constitute a large portion of the District's revenue, contributing \$508,000 or .3% of revenue for all funds in 2014. For 2014 the Legislature appropriated an additional \$80 million to common education (\$40 million for the state aid formula and \$40 million for the employee insurance benefit) even while total state appropriations were down by \$102 million. While this appears to be a step in the right direction for public education, the Legislature provided much of the increase from one-time funding sources, leaving questions as to the sustainability of those funding levels. State appropriations for common education in 2014 were \$2.408 billion or \$3,532.40 per student compared to 2009 appropriations of \$2.532 billion or \$3,926.48 per student. Appropriations for common education in 2015 are \$2.487 billion or \$3,613.04 per student.

Recognizing that funding for common education is still inadequate to achieve the standards for class sizes and textbook and media/library spending put into law by House Bill 1017, the 2014 Legislature voted to continue the moratorium on those accreditation standards for two more years. State aid formula funding remains \$158 million below 2009 levels despite an increase of over 33,000 students statewide.

Other legislative actions that could affect the future funding for education and other public services include income tax cuts and a renegotiated tax incentive for horizontal drilling which replaces the expiring drilling incentive.

The State Treasurer reports "Oklahoma's economy continues its steady expansion" with 12-month gross receipts to the Treasury up by \$479.26 million or 4.2 percent over the prior 12-month period. Collections from gross production tax on oil and natural gas slipped below prior year collections for the first time in 19 months reflecting recent lower prices. The effects of the recent decline in oil prices won't be seen for a few months.

The Oklahoma Lottery began in October 2005 and began participating in the multistate Powerball game in January 2006. The lottery was intended to raise \$150 million for education annually. The lottery contributes about \$70 million annually to education of which about \$31 million goes to elementary and secondary education. Since inception, lottery collections had remained fairly steady, but in 2014 collections decreased 4.5% to \$122.6 million.

Locally, the Logan County assessor lowered the real property assessment ratio (which determines the taxable portion of a property's market value) from 12% to 11% and the personal property assessment ratio from 12% to 10%. This reduction in the taxable valuation in our district will produce revenue losses in the general and building funds and will have an upward effect on millage rates in the sinking fund. It will also serve to reduce our bonding capacity. Growth in overall market value will mitigate these effects, but this change will reduce revenue potential from this year forward. The District's net valuation is located 96% in Oklahoma County and 4% in Logan County.

EDMOND PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 12

Management's Discussion and Analysis

June 30, 2014

Earlier this fall, the State Department of Education became aware of a statutorily required cap in the state aid funding formula dealing with agricultural and commercial personal property "chargeables" (reductions to state aid for local funding in order to equalize revenue between districts). The plain language of the statute requires the Department to place an 11 percent cap on the assessment ratio used to calculate the chargeable for commercial and agricultural personal property beginning in 1992. The Department historically has not applied the statutory cap but has indicated that for 2015 they will calculate the midyear adjustment using the capped valuations. This could produce a benefit of over \$500,000 to the District for 2015. At this time there has been no mention of adjustments to prior years.

2015 will be the second of ten years of scheduled federal sequestration cuts. Although Title I and Title II suffered sequestration cuts of 9.18% in 2014, the Title I allocation actually increased by 13.5% for 2015. These unpredictable swings result from complex allocation formulas at the federal and state level. Special education funding under the Individuals with Disabilities Education Act (IDEA) was insulated from sequestration cuts in 2014 but will sustain a 2.5% allocation cut in 2015. The IDEA program increased its carryover to 2015 which will help to keep the budget close to the prior year's level.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12
Oklahoma County, Oklahoma
Statement of Net Position – Regulatory Basis
June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Investments	\$ 137,348,657
Other Current Assets	2,137
Inventories	331,419
Capital Assets:	
Land and Construction in Progress	60,397,125
Other Capital Assets, net of depreciation	<u>271,190,901</u>
 Total Assets	 <u>\$ 469,270,239</u>
 LIABILITIES AND EQUITY	
Current Liabilities	
Warrants Outstanding	\$ 19,712,532
Vendor Obligations Payable	353,794
Reserve for Encumbrances	777,836
Long -term liabilities	
Due within One Year	36,536,000
Due in More than One Year	<u>99,084,504</u>
 Total Liabilities	 <u>\$ 156,464,666</u>
 Net Position	
Net Investments in Capital Assets	\$ 251,428,481
Restricted for	
Debt Service	21,906,372
School-Based Activities	3,248,241
Child Nutrition	2,827,516
Buildings	5,439,681
Private Grants	76,695
Unrestricted	<u>27,878,587</u>
 Total Net Position	 <u><u>\$ 312,805,573</u></u>

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Statement of Activities– Regulatory Basis
For the Year Ended June 30, 2014

<i>Functions/Programs</i>	Program Revenues			Net (Expense) Revenue and	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Position Primary Government Governmental Activities
Primary Government					
Governmental Activities					
Instruction	\$ 88,140,685	\$ 133,847	\$ 9,193,497	\$ -	\$ (78,813,341)
Support Services	60,953,290	4,216,116	379,113	-	(56,358,061)
Non-Instruction Services	12,549,063	7,960,271	4,140,892	-	(447,900)
Interest on Long-Term Debt	2,354,973	-	-	-	(2,354,973)
Depreciation-Unallocated	10,602,165	-	-	-	(10,602,165)
Total Governmental Activities	\$ 174,600,176	\$ 12,310,234	\$ 13,713,502	\$ -	\$ (148,576,440)
General Revenues					
Taxes					
Property taxes, levied for general purposes					\$ 57,218,999
Property taxes, levied for building purposes					8,168,374
Property taxes, levied for sinking fund purposes					37,176,196
General Taxes					16,022,074
Investment Earnings					1,093,965
State Aid - Formula grant					44,849,181
Gain on sale of property					916
Total General Revenues					\$ 164,529,705
Change in Net Position					\$ 15,953,265
Net Position - Beginning					296,852,308
Net Position - Ending					\$ 312,805,573

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Balance Sheet – Governmental Funds– Regulatory Basis
June 30, 2014

	General Fund	Debt Service Fund	2014A Bond Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Investments	\$ 31,668,878	\$ 39,037,335	\$ 29,026,677	\$ 37,615,767	\$ 137,348,657
Other Current Assets	2,137	-	-	-	2,137
Inventory	79,429	-	-	227,982	307,411
Prepaid Judgments	-	8,006	-	-	8,006
Total Assets	\$ 31,750,444	\$ 39,045,341	\$ 29,026,677	\$ 37,843,749	\$ 137,666,211
Liabilities					
Warrants Outstanding	\$ 19,316,332	\$ -	\$ 10,557	\$ 387,442	\$ 19,714,331
Vendor Obligations Payable	27,756	-	-	324,238	351,994
Due to Other Funds	-	8,006	-	-	8,006
Principal and Interest Accruals	-	36,542,380	-	-	36,542,380
Reserve for Encumbrances	777,836	-	-	-	777,836
Total Liabilities	\$ 20,121,924	\$ 36,550,386	\$ 10,557	\$ 711,680	\$ 57,394,547
Fund Balances					
Nonspendable	\$ 79,430	\$ -	\$ -	\$ 227,982	\$ 307,412
Restricted	336,192	2,494,955	28,991,673	28,393,042	60,215,862
Committed	-	-	-	6,068,310	6,068,310
Assigned	11,212,898	-	24,447	2,442,735	13,680,080
Total Fund Balances	\$ 11,628,520	\$ 2,494,955	\$ 29,016,120	\$ 37,132,069	\$ 80,271,664
Total Liabilities and Fund Balances	\$ 31,750,444	\$ 39,045,341	\$ 29,026,677	\$ 37,843,749	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$455,732,259 and accumulated depreciation is \$124,144,232.	331,588,027
Federal commodities are distributed to the District to be used by the child nutrition program. Governmental funds are concerned with the flow of financial resources and, therefore, the receipt and usage of commodities are not reported in the governmental funds.	24,006
Sinking Fund Principal and Interest Accruals are part of the net assets at the district-wide level	36,542,380
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long term liabilities at year end consist of:	
Bonds Payable	134,665,000
Compensated Absences	955,504
	<u>(135,620,504)</u>
Net position of governmental activities.	<u>\$ 312,805,573</u>

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund
Balances – Governmental Funds– Regulatory Basis
For the Year Ended June 30, 2014

	General Fund	Debt Service Fund	2014A Bond Fund	Other Governmental Funds	Total Governmental Funds
REVENUE					
Property Taxes	\$ 57,218,998	\$ 37,176,197	\$ -	\$ 8,168,373	102,563,568
Interest	69,109	115,871	24,448	119,061	328,489
County Revenue	5,663,654	-	-	-	5,663,654
State Revenue	56,977,666	908	-	108,161	57,086,735
Federal Revenue	6,451,062	-	-	2,762,854	9,213,916
Other	797,515	-	-	12,801,264	13,598,779
	<u>\$ 127,178,004</u>	<u>\$ 37,292,976</u>	<u>\$ 24,448</u>	<u>\$ 23,959,713</u>	<u>\$ 188,455,141</u>
EXPENDITURES					
Current					
Instruction	\$ 84,377,053	\$ -	\$ -	\$ 3,121,762	\$ 87,498,815
Support Services	45,383,682	-	297,581	17,288,389	62,969,652
Non-instruction Services	6,206,820	-	-	5,921,267	12,128,087
Capital Outlay	-	-	1,310,747	26,063,727	27,374,474
Other Outlays	130,196	4,631	-	2,492	137,319
Debt Service					
Interest Paid	-	2,354,973	-	-	2,354,973
Principal Retirement	-	34,020,000	-	-	34,020,000
	<u>\$ 136,097,751</u>	<u>\$ 36,379,604</u>	<u>\$ 1,608,328</u>	<u>\$ 52,397,637</u>	<u>\$ 226,483,320</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (8,919,747)</u>	<u>\$ 913,372</u>	<u>\$ (1,583,880)</u>	<u>\$ (28,437,924)</u>	<u>\$ (38,028,179)</u>
Other Financing Sources					
Transfers In	\$ 5,144,240	\$ -	\$ -	\$ 1,180,946	\$ 6,325,186
Transfers Out	-	(90,009)	-	(6,235,177)	(6,325,186)
Accrued Principal & Interest	-	(1,553,374)	-	-	(1,553,374)
Premium on Bond Sales	-	763,767	-	-	763,767
Proceeds of Bonds	-	-	30,600,000	14,400,000	45,000,000
Total Other Financing Sources (Uses)	<u>\$ 5,144,240</u>	<u>\$ (879,616)</u>	<u>\$ 30,600,000</u>	<u>\$ 9,345,769</u>	<u>\$ 44,210,393</u>
Net Change in Fund Balances	\$ (3,775,507)	33,756	29,016,120	(19,092,155)	6,182,214
Fund Balances - Beginning	15,404,027	2,461,199	-	56,224,224	74,089,450
Fund Balances - Ending	<u>\$ 11,628,520</u>	<u>\$ 2,494,955</u>	<u>\$ 29,016,120</u>	<u>\$ 37,132,069</u>	<u>\$ 80,271,664</u>

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances – Governmental Funds to the Statement of Activities– Regulatory Basis
For the Year Ended June 30, 2014

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

Net change in fund balances - total governmental funds		\$ 6,182,214						
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>								
This is the amount by which capital outlays exceeds depreciation during the period.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">Capital Outlay \$ 29,811,169</td> <td style="width: 20%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Depreciation Expense <u>(10,602,165)</u></td> <td style="text-align: right;">19,209,004</td> </tr> </table>		Capital Outlay \$ 29,811,169			Depreciation Expense <u>(10,602,165)</u>	19,209,004	
	Capital Outlay \$ 29,811,169							
	Depreciation Expense <u>(10,602,165)</u>	19,209,004						
<p>In the statement of activities, the gain from the disposal of assets is reported. In the governmental funds, proceeds from the disposal of assets, if any, are reported. Thus the change in net position differs by the net underpreciated costs fo the assets disposed.</p>								
		(3,559)						
<p>In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). This year, vacation and sick leave earned exceeded amounts used.</p>								
		(8,313)						
<p>Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Debt issued this year exceeded repayments.</p>								
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">Debt Issued \$ (45,000,000)</td> <td style="width: 20%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Debt Repayments <u>34,020,000</u></td> <td style="text-align: right;">(10,980,000)</td> </tr> </table>		Debt Issued \$ (45,000,000)			Debt Repayments <u>34,020,000</u>	(10,980,000)	
	Debt Issued \$ (45,000,000)							
	Debt Repayments <u>34,020,000</u>	(10,980,000)						
<p>The receipt of USDA commodities are not reported as revenue in the governmental funds but are reflected in the government-wide financial statements</p>								
		547						
<p>Resources provided in the debt service fund in accordance with Oklahoma Statute 62-431 are not a liability at the district-wide level but considered a component of restricted net assets</p>								
		<u>1,553,372</u>						
Change in net position of governmental activities.		<u>\$ 15,953,265</u>						

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Statement of Fiduciary Net Position – Regulatory Basis
June 30, 2014

	<u>Private Purpose Trust</u>
Assets	
Cash and Cash Investments	\$ <u>462,220</u>
 Total Assets	 \$ <u>462,220</u>
 Net Position	
Nonspendable Endowment	\$ 440,088
Restricted for Scholarships	<u>22,132</u>
 Total Net Position	 \$ <u>462,220</u>

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Statement of Changes in Fiduciary Net Position – Regulatory Basis
For the Year Ended June 30, 2014

	<u>Private Purpose Trust</u>
Additions:	
Interest	335
	<u>335</u>
Total Additions	<u>\$ 335</u>
Deductions	
Other Expenses	15,000
	<u>(14,665)</u>
Changes in Net Position	<u>\$ (14,665)</u>
Net Position-Beginning	476,885
Net Position -Ending	<u>\$ 462,220</u>

See Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2014

Note 1 -- Summary of Significant Accounting Policies

The Reporting Entity - The Edmond Independent School District No. 12 (the District) is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on the State of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70 of the Oklahoma Statutes.

The governing body of the District is the Board of Education composed of elected members. The appointed superintendent is the executive officer of the District. There are no component units included within the reporting entity.

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

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

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

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

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2014

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

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

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

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

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

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

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2014

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

The District reports the following major governmental funds:

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

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

2014A Bond Fund is used to account for the proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

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

Governmental Funds:

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

Fiduciary Funds:

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

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

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2014

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

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

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

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

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

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

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2014

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

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

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

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

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

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

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

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

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2014

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

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

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

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

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

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

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

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2014

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

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

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

The District receives revenue from the State to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the programs for which the money is provided and require that any money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

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

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

Net Position and Fund Balance –

District-Wide Financial Statements –

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

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

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2014

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

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

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

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

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

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

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

Fund Financial Statements–

The District has adopted Governmental Accounting Standards Board Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

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

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2014

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

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

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

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

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

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2014

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

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

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

	General Fund	Debt Service Fund	2013A Fund	Other Governmental Funds	Total Governmental Funds
Nonexpendable					
Inventory	\$ 79,430	\$ -	\$ -	\$ 227,982	\$ 307,412
Restricted					
Capital Outlay and Property Maintenance	-	-	28,991,673	28,316,347	57,308,020
Debt Service	-	2,494,955	-	-	2,494,955
Federal and State Programs	336,192	-	-	-	336,192
Instruction	-	-	-	76,695	76,695
Total Restricted:	<u>336,192</u>	<u>2,494,955</u>	<u>28,991,673</u>	<u>28,393,042</u>	<u>60,215,862</u>
Committed					
Food Services	-	-	-	2,820,069	2,820,069
School Organizations	-	-	-	3,248,241	3,248,241
Total Committed:	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,068,310</u>	<u>6,068,310</u>
Assigned					
Employee Compensation	777,836	-	-	-	777,836
Site Budget Carryover	209,401	-	-	-	209,401
Anticipated Federal Program Carryover	611,859	-	-	-	611,859
Appropriated Budget	9,613,802	-	-	-	9,613,802
Bond Costs and Capital Outlay	-	-	24,447	2,442,735	2,467,182
Total Assigned:	<u>11,212,898</u>	<u>-</u>	<u>24,447</u>	<u>2,442,735</u>	<u>13,680,080</u>
	<u>\$ 11,628,520</u>	<u>\$ 2,494,955</u>	<u>\$ 29,016,120</u>	<u>\$ 37,132,069</u>	<u>\$ 80,271,664</u>

Note 2 -- Cash and Investments

At June 30, 2014, the bank balance of deposits and cash pools was \$130,583,880. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require collateral for amounts in excess of federally insured amounts. The deposit policy for custodial credit risk requires compliance with the provision of state law. The bank balance was completely covered by federal depository insurance and by collateral held by the District's third party agent in the District's name.

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

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2014

Note 2 -- Cash and Investments (continued)

Investments – At June 30, 2014, the District held as an investment a judgment awarded against the District for payment of unbilled services from a prior year. The judgment of \$12,009 is levied in the sinking fund ratably over three years at a statutory interest rate set annually. The interest rate for 2014 was 5.25%. The judgment was purchased from the plaintiff as an investment of the general fund in fiscal year 2013. The investment had a balance of \$8,006 as of June 30, 2014.

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

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

Note 3 -- Long-term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
General Obligation Debt	\$ 123,685,000	\$ 45,000,000	\$ 34,020,000	\$ 134,665,000	\$ 35,700,000
Compensated Absences	947,190	843,093	834,779	955,504	836,000
Total governmental activity long-term liabilities	<u>\$ 124,632,190</u>	<u>\$ 45,843,093</u>	<u>\$ 34,854,779</u>	<u>\$ 135,620,504</u>	<u>\$ 36,536,000</u>

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

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

Issue Amount	Purpose	Issue Date	Annual Payment	Final Payment	Maturity Date	Interest Rates	Outstanding at June 30, 2014
14,680,000	Building	7/1/2009	3,670,000	3,670,000	7/1/2014	2%-4%	3,670,000
22,480,000	Combined	3/1/2010	5,620,000	5,620,000	3/1/2015	2%-3%	5,620,000
13,640,000	Building	7/1/2010	3,410,000	3,410,000	7/1/2015	1%-3%	6,820,000
20,500,000	Combined	3/1/2011	5,125,000	5,125,000	3/1/2016	.5%-3%	10,250,000
9,400,000	Building	8/1/2011	2,350,000	2,350,000	8/1/2016	1.5%-2%	7,050,000
23,380,000	Combined	3/1/2012	5,845,000	5,845,000	3/1/2017	.05%-2%	17,535,000
12,160,000	Building	8/1/2012	3,040,000	3,040,000	8/1/2017	.05%-2.5%	12,160,000
26,560,000	Combined	3/1/2013	6,640,000	6,640,000	3/1/2018	1.25%-1.5%	26,560,000
14,400,000	Building	8/1/2013	3,600,000	3,600,000	8/1/2018	2.00%	14,400,000
30,600,000	Building	3/1/2014	7,650,000	7,650,000	3/1/2019	1.0%-2.0%	30,600,000
							<u>\$ 134,665,000</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2014

Note 3 -- Long-term Liabilities (continued)

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

Year Ending June 30	Principal	Interest	Total Bonds Debt Service
2015	\$ 35,700,000	\$ 2,366,600	\$ 38,066,600
2016	37,660,000	1,583,150	39,243,150
2017	29,125,000	989,375	30,114,375
2018	20,930,000	494,225	21,424,225
2019	11,250,000	189,000	11,439,000
	\$ 134,665,000	\$ 5,622,350	\$ 140,287,350

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue. General obligation bonded debt of the District is limited by state law to 10% of the assessed valuation of the District. The legal debt limit at June 30, 2014 is approximately \$155,262,000.

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

Subsequent to year end, the District issued an additional \$8,440,000 in bonds.

Note 4 -- Employee Retirement System

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

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

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2014

Note 4 -- Employee Retirement System (continued)

The contribution rates for the District and its employees, which are not actuarially determined, are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The District is required by statute to contribute 9.5% of applicable compensation for the year ended June 30, 2014. Plan members are required to contribute 7% of their annual covered salary. The District pays full-time employees' contributions as allowed by statute. The District's contributions to TRS (net of retirement credit paid by the State of Oklahoma) for the years ended June 30, 2014, 2013, and 2012 were \$15,022,955, \$14,542,306, and \$13,932,296, respectively, equal to the required contributions for each year.

The government-wide financial statements include amounts representing on-behalf payments made to the System by the State of Oklahoma. These payments do not represent a direct or indirect payment of the District. The total amount of payments made by the State of Oklahoma on-behalf of the District for 2014 totaled \$971,244.

Note 5 -- 403(b) Retirement Savings Plan

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

Note 6 -- Risk Management

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

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
 Oklahoma County, Oklahoma
 Notes to Financial Statements
 June 30, 2014

Note 7 -- Contingencies

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

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

The District has outstanding construction commitments as of June 30, 2014:

	Construction Commitments
2014 A Bond Fund	\$ 21,892,268
Other Governmental Funds	14,806,732
Total	<u>\$ 36,699,000</u>

Note 8 -- Schedule of Transfers

Transfer From	Transfer To	Amount	Nature of Transfer
Child Nutrition Fund	General Fund	\$3,720,168	Operating Transfer for Payroll
Student Activity Fund	General Fund	1,424,072	Operating Transfer
Student Activity Fund	Child Nutrition Fund	3,728	Operating Transfer
Student Activity Fund	Student Activity Fund	249,872	Operating Transfer
Child Nutrition Fund	Child Nutrition Fund	4,025	Operating Transfer
Debt Service Fund	Building Fund	90,009	Operating Transfer
2010A Bond Fund	Bond Residual Fund	555,438	Operating Transfer
2010 B Bond Fund	Bond Residual Fund	277,874	Operating Transfer
		<u>\$6,325,186</u>	

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2014

Note 9 -- Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Government Activities:				
Capital assets, not being depreciated				
Land	\$ 12,266,336	\$ 302,141	\$ -	\$ 12,568,477
Construction in progress	32,049,853	27,152,294	11,373,498	47,828,649
Total capital assets, not being depreciated	<u>\$ 44,316,189</u>	<u>\$ 27,454,435</u>	<u>\$ 11,373,498</u>	<u>\$ 60,397,126</u>
Capital assets, being depreciated				
Buildings	\$ 352,971,339	\$ 11,434,414	\$ -	\$ 364,405,753
Furniture and Equipment	1,767,893	34,070	-	1,801,963
Musical Instruments	714,563	46,656	-	761,219
Equipment	14,667,323	1,068,117	84,218	15,651,222
Vehicles	11,568,000	1,146,976	-	12,714,976
Total capital assets, being depreciated	<u>\$ 381,689,118</u>	<u>\$ 13,730,233</u>	<u>\$ 84,218</u>	<u>\$ 395,335,133</u>
Less Accumulated Depreciation	<u>113,622,726</u>	<u>10,602,165</u>	<u>80,659</u>	<u>124,144,232</u>
Total capital assets, being depreciated, net	<u>\$ 268,066,392</u>	<u>\$ 3,128,068</u>	<u>\$ 3,559</u>	<u>\$ 271,190,901</u>
Governmental activities capital assets, net	<u>312,382,581</u>	<u>30,582,503</u>	<u>11,377,057</u>	<u>331,588,027</u>
Total Primary Government	<u>\$ 312,382,581</u>	<u>\$ 30,582,503</u>	<u>\$ 11,377,057</u>	<u>\$ 331,588,027</u>

Note 10 – Subsequent Events

In a bond election held February 12, 2013, voters in the District approved the issuance of bonds totaling \$80 million, to be issued in four series over a two-year period. The bond issues will provide for construction of a new elementary school, a new middle school and land for a future high school campus in addition to improvements to existing facilities as well as transportation and equipment purchases. The first installment in the amount of \$26,560,000 was issued in May 2013, and the second installment of \$14,400,000 was issued in August 2013, the third installment of \$30,600,000 was issued in March 2014; and the fourth installment of \$8,440,000 was issued in August 2014.

Construction commitments subsequent to year end totaled \$998,000 in the 2014A bond fund and \$3,024,000 from bonds issued in August 2014.

OTHER SUPPLEMENTARY INFORMATION

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Budgetary Comparison Schedule –General Fund (Unaudited) – Regulatory Basis
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Property Taxes	\$ 52,115,407	\$ 52,115,407	\$ 57,218,998	\$ 5,103,591
Interest	110,000	110,000	69,109	(40,891)
County Revenue	5,837,200	5,837,200	5,663,654	(173,546)
State Revenue	56,104,029	56,104,029	56,977,666	873,637
Federal Revenue	6,607,800	6,607,800	6,451,062	(156,738)
Other	5,614,470	5,614,470	5,941,756	327,286
Total Revenue	<u>\$ 126,388,906</u>	<u>\$ 126,388,906</u>	<u>\$ 132,322,245</u>	<u>\$ 5,933,339</u>
EXPENDITURES				
Current				
Instruction	\$ 86,466,332	\$ 86,466,332	84,377,053	\$ 2,089,279
Support Services	46,954,112	46,954,112	45,383,682	1,570,430
Non-instruction Services	6,306,630	6,306,630	6,206,820	99,810
Capital Outlay	-	-	-	-
Other Outlays	2,035,417	2,035,417	130,197	1,905,220
Total Expenditures	<u>\$ 141,762,491</u>	<u>\$ 141,762,491</u>	<u>\$ 136,097,752</u>	<u>\$ 5,664,739</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (15,373,585)</u>	<u>\$ (15,373,585)</u>	<u>\$ (3,775,507)</u>	<u>\$ 11,598,078</u>
Budgetary Fund Balance - Beginning	<u>15,373,585</u>	<u>15,373,585</u>	<u>15,404,027</u>	<u>30,442</u>
Budgetary Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,628,520</u>	<u>\$ 11,628,520</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12
Oklahoma County, Oklahoma
Budgetary Comparison Schedule – Other Appropriated Funds (unaudited) – Regulatory Basis
For the Year Ended June 30, 2014

	Building Fund		Child Nutrition Fund		Debt Service Fund	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
REVENUE						
Property Taxes	\$ 7,441,294	\$ 8,168,373	\$ -	\$ -	\$ 35,471,780	37,176,197
Interest	14,900	16,035	12,500	8,009	-	115,871
County Revenue	-	-	-	-	-	-
State Revenue	300	221	104,400	107,938	-	908
Federal Revenue	-	-	2,756,000	2,762,854	-	-
Other	<u>155,500</u>	<u>114,618</u>	<u>4,866,470</u>	<u>4,641,214</u>	<u>-</u>	<u>(789,605)</u>
Total Revenue	<u>\$ 7,611,994</u>	<u>\$ 8,299,247</u>	<u>\$ 7,739,370</u>	<u>\$ 7,520,015</u>	<u>\$ 35,471,780</u>	<u>\$ 36,503,371</u>
EXPENDITURES						
Current						
Instruction	\$ 273,159	\$ 203,097	\$ -	\$ -	\$ -	\$ -
Support Services	1,170,423	8,172,921	-	-	-	-
Non-instruction Services	-	11,120	8,321,988	4,062,070	-	-
Capital Outlay	184,010	278,570	-	-	-	-
Other Outlays	<u>11,502,398</u>	<u>641</u>	<u>2,488,207</u>	<u>3,716,440</u>	<u>4,634</u>	<u>4,633</u>
Debt Service						
Interest Paid	-	-	-	-	2,228,344	2,354,973
Principal Retirement	-	-	-	-	<u>35,700,000</u>	<u>34,020,000</u>
Total Expenditures	<u>\$ 13,129,990</u>	<u>\$ 8,666,349</u>	<u>\$ 10,810,195</u>	<u>\$ 7,778,510</u>	<u>\$ 37,932,978</u>	<u>\$ 36,379,606</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,517,996)	(367,102)	(3,070,825)	(258,495)	(2,461,198)	123,765
Other Financing Sources						
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	0
Transfers Out	-	-	-	-	-	\$ (90,009)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,009)</u>
Net Change in Fund Balance	(5,517,996)	(367,102)	(3,070,825)	(258,495)	(2,461,198)	33,756
Budgetary Fund Balance - Beginning	<u>5,517,996</u>	<u>5,806,783</u>	<u>3,070,825</u>	<u>3,136,610</u>	<u>2,461,198</u>	<u>2,461,199</u>
Budgetary Fund Balance - Ending	<u>\$ -</u>	<u>\$ 5,439,681</u>	<u>\$ -</u>	<u>\$ 2,878,115</u>	<u>\$ -</u>	<u>\$ 2,494,955</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12
Oklahoma County, Oklahoma
Combining Balance Sheet– Other Governmental Funds – Regulatory Basis
For the Year Ended June 30, 2014

	Other Special Revenue Funds						Total Other Capital Project Funds	Total Other Governmental Funds
	Building	MAPS	Child Nutrion	Activity	Gift	Total		
Assets								
Cash and Cash Investments	\$ 5,693,590	\$ 5,454	\$ 2,940,636	\$ 3,305,072	\$ 81,609	\$ 12,026,361	\$ 25,589,406	\$ 37,615,767
Receivables, Net	-	-	-	-	-	-	-	-
Inventory	169,936	-	58,046	-	-	227,982	-	227,982
Total Assets	<u>\$ 5,863,526</u>	<u>\$ 5,454</u>	<u>\$ 2,998,682</u>	<u>\$ 3,305,072</u>	<u>\$ 81,609</u>	<u>\$ 12,254,343</u>	<u>\$ 25,589,406</u>	<u>\$ 37,843,749</u>
Liabilities								
Warrants Outstanding	\$ 209,260	\$ -	\$ 10,914	\$ 56,831	\$ 4,914	\$ 281,919	\$ 105,523	\$ 387,442
Vendor Obligations Payable	214,585	-	109,653	-	0	324,238	-	324,238
Total Liabilities	<u>\$ 423,845</u>	<u>\$ -</u>	<u>\$ 120,567</u>	<u>\$ 56,831</u>	<u>\$ 4,914</u>	<u>\$ 606,157</u>	<u>\$ 105,523</u>	<u>\$ 711,680</u>
Fund Balances								
Nonspendable	\$ 169,936	\$ -	\$ 58,046	\$ -	\$ -	\$ 227,982	\$ -	\$ 227,982
Restricted	5,269,745	5,454	-	-	76,695	5,351,894	23,041,148	28,393,042
Committed	-	-	2,820,069	3,248,241	-	6,068,310	-	6,068,310
Assigned	-	-	-	-	-	-	2,442,735	2,442,735
Total Fund Balances	<u>5,439,681</u>	<u>5,454</u>	<u>2,878,115</u>	<u>3,248,241</u>	<u>76,695</u>	<u>11,648,186</u>	<u>25,483,883</u>	<u>37,132,069</u>
Total Liabilities and Fund Balances	<u>\$ 5,863,526</u>	<u>\$ 5,454</u>	<u>\$ 2,998,682</u>	<u>\$ 3,305,072</u>	<u>\$ 81,609</u>	<u>\$ 12,254,343</u>	<u>\$ 25,589,406</u>	<u>\$ 37,843,749</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12
Oklahoma County, Oklahoma
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
– Other Governmental Funds– Regulatory Basis
For the Year Ended June 30, 2014

	Other Special Revenue Funds						Total Other Capital Project Funds	Total Other Governmental Funds
	Building	MAPS	Child Nutrtn	Activity	Gift	Total		
REVENUE								
Property Taxes	\$ 8,168,373	\$ -	\$ -	\$ -	\$ -	\$ 8,168,373	\$ -	\$ 8,168,373
Interest	16,035	65	8,009	6,429	129	30,667	88,394	119,061
State Revenue	222	-	107,939	-	-	108,161	-	108,161
Federal Revenue	-	-	2,762,854	-	-	2,762,854	-	2,762,854
Other	24,609	-	4,641,214	7,962,420	155,245	12,783,488	17,776	12,801,264
Total Revenue	<u>\$ 8,209,239</u>	<u>\$ 65</u>	<u>\$ 7,520,016</u>	<u>\$ 7,968,849</u>	<u>\$ 155,374</u>	<u>\$ 23,853,543</u>	<u>\$ 106,170</u>	<u>\$ 23,959,713</u>
EXPENDITURES								
Current								
Instruction	\$ 203,097	\$ 30,284	\$ -	817,305	106,826	1,157,512	\$ 1,964,250	\$ 3,121,762
Support Services	8,172,921	32,895	-	3,927,761	57,172	12,190,749	5,097,640	17,288,389
Non-instruction Services	11,120	-	4,062,071	1,734,992	-	5,808,183	113,084	5,921,267
Capital Outlay	278,572	35,544	-	-	-	314,116	\$ 25,749,611	26,063,727
Other Outlays	640	-	-	1,751	-	2,391	101	2,492
Total Expenditures	<u>\$ 8,666,350</u>	<u>\$ 98,723</u>	<u>\$ 4,062,071</u>	<u>\$ 6,481,809</u>	<u>\$ 163,998</u>	<u>\$ 19,472,951</u>	<u>\$ 32,924,686</u>	<u>\$ 52,397,637</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(457,111)	(98,658)	3,457,945	1,487,040	(8,624)	4,380,592	(32,818,516)	(28,437,924)
Other Financing Sources								
Transfers In	90,009	-	7,753	249,872	-	347,634	833,312	1,180,946
Transfers Out	-	-	(3,724,193)	(1,677,672)	-	(5,401,865)	(833,312)	(6,235,177)
Proceeds of Bonds	-	-	-	-	-	-	14,400,000	14,400,000
Total Other Financing Sources	<u>90,009</u>	<u>-</u>	<u>(3,716,440)</u>	<u>(1,427,800)</u>	<u>-</u>	<u>(5,054,231)</u>	<u>14,400,000</u>	<u>9,345,769</u>
Net Change in Fund Balances	(367,102)	(98,658)	(258,495)	59,240	(8,624)	(673,639)	(18,418,516)	(19,092,155)
Fund Balances, Beginning	5,806,783	104,112	3,136,610	3,189,001	85,319	12,321,825	43,902,399	56,224,224
Fund Balances, Ending	<u>\$ 5,439,681</u>	<u>\$ 5,454</u>	<u>\$ 2,878,115</u>	<u>\$ 3,248,241</u>	<u>\$ 76,695</u>	<u>\$ 11,648,186</u>	<u>\$ 25,483,883</u>	<u>\$ 37,132,069</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12
Oklahoma County, Oklahoma
Combining Balance Sheet – Other Capital Project Funds– Regulatory Basis
For the Year Ended June 30, 2014

	2010A Bond	2010B Bond	2011A Bond	2011B Bond	2012A Bond	2012B Bond	2013A Bond	2013B Bond	Bond Residual	Total Other Capital Project Funds
Assets										
Cash and Cash Investments	\$ -	\$ -	\$ 666,453	\$ 39,217	\$ 1,451,752	\$ 883,167	\$ 7,883,262	\$ 11,896,062	\$ 2,769,493	\$ 25,589,406
Total Assets	\$ -	\$ -	\$ 666,453	\$ 39,217	\$ 1,451,752	\$ 883,167	\$ 7,883,262	\$ 11,896,062	\$ 2,769,493	\$ 25,589,406
Liabilities										
Warrants Outstanding	\$ -	\$ -	\$ 3,592	\$ -	\$ 3,176	\$ -	\$ 82,565	\$ 7,446	\$ 8,744	\$ 105,523
Vendor Obligations Payable	-	-	-	-	-	-	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ 3,592	\$ -	\$ 3,176	\$ -	\$ 82,565	\$ 7,446	\$ 8,744	\$ 105,523
Fund Balances										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	544,927	1,081	1,397,278	856,430	7,761,926	11,862,534	616,972	23,041,148
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	117,934	38,136	51,298	26,737	38,771	26,082	2,143,777	2,442,735
Total Fund Balances	-	-	662,861	39,217	1,448,576	883,167	7,800,697	11,888,616	2,760,749	25,483,883
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 666,453	\$ 39,217	\$ 1,451,752	\$ 883,167	\$ 7,883,262	\$ 11,896,062	\$ 2,769,493	\$ 25,589,406

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12
Oklahoma County, Oklahoma
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
– Other Capital Project Funds – Regulatory Basis
For the Year Ended June 30, 2014

	2010A Bond	2010B Bond	2011A Bond	2011B Bond	2012A Bond	2012B Bond	2013A Bond	2013B Bond	Bond Residual	Total Other Capital Project Funds
REVENUE										
Interest	\$ -	\$ -	\$ 4,081	\$ 1,506	\$ 8,256	\$ 3,180	37,233	\$ 26,082	\$ 8,056	\$ 88,394
Other	-	-	-	13,200	-	101	-	-	4,475	17,776
Total Revenue	\$ -	\$ -	\$ 4,081	\$ 14,706	\$ 8,256	\$ 3,281	\$ 37,233	\$ 26,082	\$ 12,531	\$ 106,170
EXPENDITURES										
Current										
Instruction	\$ -	\$ -	\$ 249,777	\$ -	\$ 564,577	\$ 34,604	\$ 947,475	\$ 91,153	\$ 76,664	\$ 1,964,250
Support Services	-	-	240,268	113,648	89,895	831,044	2,368,620	777,947	676,218	5,097,640
Non-instruction Services	-	-	-	-	-	22,276	88,766	2,042	-	113,084
Capital Outlay	-	-	2,841,223	2,074,267	4,319,075	3,509,122	11,190,471	1,666,324	149,129	25,749,611
Other Outlays	-	-	-	-	-	101	-	-	-	101
Total Expenditures	\$ -	\$ -	\$ 3,331,268	\$ 2,187,915	\$ 4,973,547	\$ 4,397,147	\$ 14,595,332	\$ 2,537,466	\$ 902,011	\$ 32,924,686
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(3,327,187)	(2,173,209)	(4,965,291)	(4,393,866)	(14,558,099)	(2,511,384)	(889,480)	(32,818,516)
Other Financing Sources										
Transfers In	-	-	-	-	-	-	-	-	833,312	833,312
Transfers Out	(555,438)	(277,874)	-	-	-	-	-	-	-	(833,312)
Proceeds of Bonds	-	-	-	-	-	-	-	14,400,000	-	14,400,000
Total Other Financing Sources	\$ (555,438)	\$ (277,874)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,400,000	\$ 833,312	\$ 14,400,000
Net Change in Fund Balances	(555,438)	(277,874)	(3,327,187)	(2,173,209)	(4,965,291)	(4,393,866)	(14,558,099)	11,888,616	(56,168)	(18,418,516)
Fund Balances, Beginning	555,438	277,874	3,990,048	2,212,426	6,413,867	5,277,033	22,358,796	-	2,816,917	43,902,399
Fund Balances, Ending	\$ -	\$ -	\$ 662,861	\$ 39,217	\$ 1,448,576	\$ 883,167	\$ 7,800,697	\$ 11,888,616	\$ 2,760,749	\$ 25,483,883

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12
Oklahoma County, Oklahoma
Combining Statement of Assets and Fund Balances
– Activity Fund
For the Year Ended June 30, 2014

ASSETS	Balance 6/30/13	Total Receipts	Total Disbursements	Balance 6/30/14
Activities:				
Academic Team	\$ 4,748	\$ 14,681	\$ 14,094	\$ 5,335
Advanced Placement/Enrichment	75,969	180,892	179,333	77,528
Alternative School	3,170	8,220	6,735	4,655
Art	15,017	54,547	55,092	14,472
Athletics	206,048	1,155,687	1,068,283	293,452
Before/After School Programs	934,269	1,781,217	1,528,436	1,187,050
Central Office	176,596	23,064	106,597	93,063
Charitable/Community/Service	62,739	937,726	966,500	33,965
Cheerleading/Pom/Pep	69,772	144,208	189,777	24,203
Chess Club	210	30,052	24,994	5,268
Concessions/Vending	348,615	373,775	354,471	367,919
Donations	26,231	67,568	63,814	29,985
Drama/Debate/Speech	16,093	24,801	23,418	17,476
Driver Education	1,425	14,850	15,685	590
Ethnic Heritage Clubs	2,642	2,232	2,163	2,711
Faculty/Hospitality	8,052	1,925	3,372	6,605
FBLA/DECA	27,020	165,424	148,287	44,157
FCCLA-Family, Career & Community Leaders	5,507	20,428	21,157	4,778
FFA Future Farmers of America	30,266	134,088	139,150	25,204
Foreign Language Clubs	26,676	26,942	35,141	18,477
Freshman Class	1,271	1,810	1,658	1,423
General Activity	296,209	679,591	678,447	297,353
Home Arts/Technology Ed/Wood Tech	13,553	61,338	54,647	20,244
Interest	62,556	5,842	15,252	53,146
Junior Class	52,681	41,680	27,373	66,988
Math Club	2,177	1,575	2,280	1,472
Media Center	74,296	131,628	130,130	75,794
Music	275,400	1,176,233	1,334,208	117,425
Musical Productions	57,651	86,762	75,608	68,805
National Forensic League	3,706	15,622	15,355	3,973
National Honor Society	10,145	11,265	14,133	7,277
Newspaper	1,233	3,632	3,888	977
Parking	-	115,435	115,195	240
Photo Lab	8,536	19,310	14,648	13,198
Prom Fund	2,665	24,029	21,682	5,012
PSAT Counselor	22,808	107,135	102,357	27,586
Refunds	3,120	37,778	37,936	2,962
Robotics Team	13,503	18,235	19,682	12,056
ROTC	1,780	5,415	7,082	113
Scholarships	12,285	10,237	10,945	11,577
Science/Environmental	10,274	949	4,196	7,027
Senior Class	10,972	29,577	31,303	9,246
Sophomore Class	83	1,853	1,586	350
Special Education	8,148	12,226	12,402	7,972
Special Projects	15,069	10,563	16,972	8,660
Student Council	21,476	123,698	116,373	28,801
Summer School	52,360	111,483	146,296	17,547
Transcripts	774	-	774	-
Writing	2,276	2,250	2,648	1,878
Yearbook	108,896	195,705	185,119	119,482
Young Democrats/Republicans/Government	2,033	13,538	12,807	2,764
Total Assets	<u>\$ 3,189,001</u>	<u>\$ 8,218,721</u>	<u>\$ 8,159,481</u>	<u>\$ 3,248,241</u>
FUND BALANCES				
Designated for School Organizations	<u>\$ 3,189,001</u>	<u>\$ 8,218,721</u>	<u>\$ 8,159,481</u>	<u>\$ 3,248,241</u>
Total Fund Balances	<u>\$ 3,189,001</u>	<u>\$ 8,218,721</u>	<u>\$ 8,159,481</u>	<u>\$ 3,248,241</u>

Basis of Presentation

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

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12
Oklahoma County, Oklahoma
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Project Number	Balance 6/30/13	Federal Grant Receipts	Federal Grant Expenditures	Balance 6/30/14
<u>U.S. Department of Education</u>						
Direct Programs						
Indian Education, Grants to Local Educational Agencies	84.060	561	\$ (37,409)	\$ 216,637	\$ 218,551	\$ (39,323)
Passed Through Oklahoma Department of Career and Technology Education						
Vocational Education - Basic Grant to States	84.048	421/424	\$ (40,806)	\$ 120,031	\$ 153,810	\$ (74,585)
Passed Through Oklahoma State Department of Education						
Title I, Improving Basic Programs	84.010	511/512/518	\$ (338,776)	\$ 1,743,431	\$ 1,841,507	\$ (436,852)
Title I Cluster			\$ (338,776)	\$ 1,743,431	\$ 1,841,507	\$ (436,852)
Special Education - Grants to States	84.027	615/621/ 623/625	\$ (816,026)	\$ 3,763,552	\$ 3,761,625	\$ (814,099)
Special Education - Preschool Grants	84.173	641/642	(13,701)	90,360	90,637	(13,978)
Special Education Cluster			\$ (829,727)	\$ 3,853,912	\$ 3,852,262	\$ (828,077)
Title II, Part A Teacher and Principal Training and Recruiting Fund	84.367	541	\$ (77,599)	\$ 334,980	\$ 318,380	\$ (60,999)
Part A, English Language Acquisition, Language Enhancement and Academic Achievement	84.365	571/572	\$ (754)	\$ 45,751	\$ 47,294	\$ (2,297)
Passed Through Oklahoma Department of Rehabilitation Services						
Job Training	84.126	456	\$ 79,431	\$ 7,527	\$ 29,416	\$ 57,542
Total U.S. Department of Education			\$ (1,245,640)	\$ 6,322,269	\$ 6,461,220	\$ (1,384,591)
<u>U.S. Department of Health and Human Services</u>						
Passed through the Oklahoma Health Care Authority						
Medical Assistance Program	93.778	698	\$ 28,604	-	-	\$ 28,604
<u>U.S. Department of the Interior</u>						
Direct Programs						
Indian Education - Assistance to Schools						
Johnson O'Malley Program	15.130	563/564	\$ 12,222	\$ 18,955	\$ 15,863	\$ 15,314
<u>U.S. Department of Agriculture</u>						
Passed through the Oklahoma State Department of Education						
Breakfast Program	10.553	764	-	\$ 542,024	\$ 542,024	-
Lunch Program	10.555	763	-	2,200,160	2,200,160	-
Summer Food Program	10.559	766	9,365	20,670	30,035	-
Child Nutrition Cluster			\$ 9,365	\$ 2,762,854	\$ 2,772,219	-
Passed through the Oklahoma Department of Human Services						
Lunch Program	10.550		23,226	363,432	362,891	23,767
Summer Food Program	10.559		234	3,414	3,409	239
Total U.S. Department of Agriculture			\$ 32,825	\$ 3,129,700	\$ 3,138,519	\$ 24,006
Total Expenditures of Federal Awards			\$ (1,171,989)	\$ 9,470,924	\$ 9,615,602	\$ (1,316,667)

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

OTHER INFORMATION

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12
Oklahoma County, Oklahoma
Statement of Statutory Fidelity and Honesty Bonds (unaudited)
For the Year Ended June 30, 2014

<u>Type</u>	<u>Amount</u>	<u>Number</u>	<u>Company</u>	<u>Effective Date</u>
Superintendent	\$ 100,000	5056725	The Ohio Casualty Insurance Company	7/1/13-6/30/14
Treasurer	\$ 500,000	3863216	The Ohio Casualty Insurance Company	7/1/13-6/30/14
Assistant Treasurer	\$ 500,000	87C002416	The Ohio Casualty Insurance Company	7/1/13-6/30/14
Public Employee not individually bonded	\$ 100,000	3884485	The Ohio Casualty Insurance Company	7/1/13-6/30/14



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Edmond Independent School District No.12, Oklahoma County, Oklahoma, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Edmond Independent School District No.12, Oklahoma County, Oklahoma's basic financial statements and have issued our report thereon dated January 12, 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, we considered Edmond Independent School District No.12, Oklahoma County, Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Edmond Independent School District No.12, Oklahoma County, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of the Edmond Independent School District No.12, Oklahoma County, Oklahoma's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Edmond Independent School District No.12, Oklahoma County, Oklahoma's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Rahhal Henderson Johnson, PLLC

Ardmore, Oklahoma
January 12, 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
Edmond Independent School District No.12, Oklahoma County, Oklahoma
Edmond, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Edmond Independent School District No.12, Oklahoma County, Oklahoma's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Edmond Independent School District No.12, Oklahoma County, Oklahoma's major federal programs for the year ended June 30, 2014. Edmond Independent School District No.12, Oklahoma County, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Edmond Independent School District No.12, Oklahoma County, Oklahoma's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Edmond Independent School District No.12, Oklahoma County, Oklahoma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Edmond Independent School District No.12, Oklahoma County, Oklahoma's compliance.

Opinion on Each Major Federal Program

In our opinion, Edmond Independent School District No.12, Oklahoma County, Oklahoma, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Edmond Independent School District No.12, Oklahoma County, Oklahoma, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Edmond Independent School District No.12, Oklahoma County, Oklahoma's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Edmond Independent School District No.12, Oklahoma County, Oklahoma's internal control over compliance.

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

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

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

Rahhal Henderson Johnson, PLLC

Ardmore, Oklahoma
January 12, 2015

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12
Oklahoma County, Oklahoma
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Section I Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

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

Type of auditors' report issued on compliance for major programs: Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_____ Yes	_____ <u>X</u> No
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Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553; 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$	300,000
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Auditee qualified as a low-risk auditee?	_____ <u>X</u> Yes	_____ No
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EDMOND INDEPENDENT SCHOOL DISTRICT NO.12
Oklahoma County, Oklahoma
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12
Oklahoma County, Oklahoma
Summary Schedule of Prior Year Findings
Year Ended June 30, 2014

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

EDMOND INDEPENDENT SCHOOL DISTRICT NO.12

Oklahoma County, Oklahoma

Schedule of Accountant's Professional Liability Insurance Affidavit (unaudited)

For the Year Ended June 30, 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 Edmond Independent School District No.12 for the audit year 2013-2014.

RAHHAL HENDERSON JOHNSON, PLLC

BY: Mary E Johnson
Authorized Agent

Subscribed and sworn to before me on this 26th day of, January, 2015.

Jimmie Shelton
Notary Public

Commission Number: 99015459

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

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