REPORT OF AUDIT

GARBER SCHOOL DISTRICT #I–47 1/2

GARFIELD COUNTY – OKLAHOMA

JULY 1, 2013 TO JUNE 30, 2014

GARBER SCHOOL DISTRICT #I–47 1/2
GARFIELD COUNTY – OKLAHOMA
JULY 1, 2013 TO JUNE 30, 2014

OFFICERS

JANET STRATE	PRESIDENT
LACEY DEEDS	VICE-PRESIDENT
TRAVIS SCHOVANEC	CLERK
LEE SCHNAITHMAN	MEMBER
TIM BEEBE	MEMBER
CLAUDIA HOWERTON	TREASURER
JIM LAMER	SUPERINTENDENT

AUDIT BY

PATRICK W. CARROLL
CERTIFIED PUBLIC ACCOUNTANT

CERTIFICATE #4081

GARBER SCHOOL DISTRICT #I–47 1/2
GARFIELD COUNTY – OKLAHOMA
JULY 1, 2013 TO JUNE 30, 2014

TABLE OF CONTENTS

SCHOOL DISTRICT OFFICIALS	PAGE 1
TABLE OF CONTENTS	PAGES 2 & 3
INDEPENDENT AUDITOR'S REPORT	PAGES 4 - 6
COMBINED STATEMENT OF ASSETS, LIABILITIES AD FUND BALANCES - ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS	EXHIBIT A
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS TYPES - REGULATORY BASIS	EXHIBIT B
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS	EXHIBIT C
NOTES TO FINANCIAL STATEMENTS	PAGES 7 - 17
COMBINING STATEMENT OF ASSETS, LIABILITIES AND CASH FUND BALANCES - ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS	SCHEDULE A-1
COMBINING STATEMENTS OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS - REGULATORY BASIS	SCHEDULE B-1
COMBINING STATEMENTS OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES - CAPITAL PROJECT FUNDS - REGULATORY BASIS	SCHEDULE B-2
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS - REGULATORY BASIS	SCHEDULE C-1
FEDERAL SCHEDULES SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS	SCHEDULE 1-00
SCHOOL ACTIVITY FUND REVENUES, EXPENDITURES AND BALANCES RECONCILIATION STATEMENT CASH STATEMENT	 SCHEDULE 2-00 SCHEDULE 2-01 SCHEDULE 2-02
MISCELLANEOUS ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE	 SCHEDULE 3-00
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	PAGES 18 & 19

GARBER SCHOOL DISTRICT #I–47 1/2
GARFIELD COUNTY – OKLAHOMA
JULY 1, 2013 TO JUNE 30, 2014

TABLE OF CONTENTS PAGE 2

SCHEDULE OF FINDINGS	PAGE 20
DISPOSITION OF PRIOR YEAR FINDINGS	PAGES 21 & 22
CURRENT YEAR AUDIT EXCEPTIONS AND RECOMMENDATIONS	PAGE 23
PRIOR YEAR AUDIT EXCEPTIONS AND RECOMMENDATIONS	PAGE 24

Chas. W. Carroll, P.A.

Hiland Tower – Suite 406
302 N. Independence

Enid, Oklahoma 73701
Phone 580-234-5468
Fax 580-234-5425

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Garber School District #I-47 1/2
Garfield County, Oklahoma

I have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Garber School District #I-47 1/2, Garfield County, Oklahoma, as listed in the table of contents, as combined financial statements, as of and for the year ended June 30, 2014.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education as described in Note 1, to meet the requirements of the Oklahoma State Department of Oklahoma. Management is also responsible for 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
My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse and qualified audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 1 to the financial statement, to meet the financial reporting requirements of the Oklahoma State Department of Education, the financial statements are prepared by Garber School District #I-47 1/2, Garfield County, Oklahoma on the basis of the financial reporting prescribed or permitted by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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 my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraphs, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2014, or the revenues, expenses, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting
The financial statements referred to above do not include the general fixed asset account group, which is a departure from the regulatory basis of accounting prescribed or permitted by the Oklahoma State Department of Education noted above. The amount that should be recorded in the general fixed asset account group is not known.

However, in my opinion, except for the effects of the omission of the general fixed asset account group, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions of each fund type and account group of the Garber School District #I-47 1/2, Garfield County, Oklahoma, as of June 30, 2014, and the revenues collected and expenditures paid and encumbered, of each fund type, for the year then ended, on the regulatory basis of accounting described in Note 1.

Other Matters

Other Information

My audit was conducted for the purpose of forming opinions on the fund type and account group financial statements within the combined financial statements. The combining fund statements and schedules and other schedules as listed in the table of contents, under other supplementary information, are presented for purposes of additional analysis and are not a required part of the combined financial statement of the District. Also, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by United States 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 combined financial statements. This other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting records used to prepare the combined financial statements. The other supplementary information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined 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 my opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the combined financial statements taken as a whole on the regulatory basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated April 21, 2015 on my consideration of the District's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Chas. W. Carroll, P.A.
April 21, 2015

Garber School District No.I-047.5, Garfield County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Fund Types and Account Groups
For the Year Ending June 30, 2014

EXHIBIT A

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Total (Memorandum Only)
ASSETS	**General**	**Special Revenue**	**Debt Service**	**Capital Projects**	**Trust and Agency**	**General Long-Term Debt**	**June 30, 2014**
Cash and Cash Equivalents	$ 481,296	$ 76,825	$ 282,507	$ 1,485,497	$ 76,828	$ 0	$ 2,402,953
Investments	0	0	0	0	0	0	0
Amounts Available in Debt Service Fund	0	0	0	0	0	282,507	282,507
Amounts to be Provided for Retirement of General Long-Term Debt	0	0	0	0	0	737,493	737,493
Amounts to be Provided For Capitalized Lease Agreements	0	0	0	0	0	0	0
Total Assets	$ 481,296	$ 76,825	$ 282,507	$ 1,485,497	$ 76,828	$ 1,020,000	$ 3,422,953
LIABILITIES AND FUND BALANCE							
Liabilities:							
Warrants/Checks Payable	$ 98,233	$ 2,536	$ 0	$ 20	$ 6,607	$ 0	$ 107,396
Reserve for Encumbrances	15,326	12,437	0	0	0	0	27,763
Due to Activity Groups	0	0	0	0	70,221	0	70,221
General Obligation Bonds Payable	0	0	0	0	0	1,020,000	1,020,000
Capitalized Lease Obligations Payable	0	0	0	0	0	0	0
Total Liabilities	$ 113,559	$ 14,973	$ 0	$ 20	$ 76,828	$ 1,020,000	$ 1,225,380
Fund Balances:							
Restricted For:							
Debt Service	$ 0	$ 0	$ 282,507	$ 0	$ 0	$ 0	$ 282,507
Capital Projects	0	0	0	1,485,477	0	0	1,485,477
Building Programs	0	39,901	0	0	0	0	39,901
Child Nutrion Programs	0	15,632	0	0	0	0	15,632
Cooperative Programs	0	6,320	0	0	0	0	6,320
Unassigned	367,737	(0)	0	0	0	0	367,737
Total Fund Balances	$ 367,737	$ 61,852	$ 282,507	$ 1,485,477	$ 0	$ 0	$ 2,197,573
Total Liabilities and Fund Balances	$ 481,296	$ 76,825	$ 282,507	$ 1,485,497	$ 76,828	$ 1,020,000	$ 3,422,953

The notes to the financial statements are an integral part of this statement.

Garber School District No.I-047.5, Garfield County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - All Governmental Fund Types
For the Year Ending June 30, 2014

EXHIBIT B

	Governmental Fund Types				Totals (Memorandum Only)
Revenue Collected:	**General**	**Special Revenue**	**Debt Service**	**Capital Projects**	**June 30, 2014**
Local Sources	$ 715,009	$ 100,754	$ 378,335	$ 0	$ 1,194,098
Intermediate Sources	81,439	0	0	0	81,439
State Sources	1,503,817	17,167	39	0	1,521,023
Federal Sources	174,393	106,878	0	0	281,270
Non-Revenue Receipts	0	40,739	1,292	0	42,031
Total Revenue Collected	$ 2,474,658	$ 265,537	$ 379,666	$ 0	$ 3,119,861
Expenditures Paid:					
Instruction	$ 1,560,008	$ 4,934	$ 0	$ 0	$ 1,564,942
Support Services	901,757	91,519	0	398,946	1,392,222
Operation of Non-Instructional Services	6,138	174,458	0	0	180,596
Facilities Acquisition and Construction	0	0	0	0	0
Other Outlays	0	0	0	0	0
Other Uses	0	0	0	0	0
Repayments	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	258	0	0	0	258
Debt Service:					
Principal Retirement	0	0	220,000	0	220,000
Interest and Fiscal Agent Fees	0	0	8,053	0	8,053
Total Expenditures Paid	$ 2,468,160	$ 270,911	$ 228,053	$ 398,946	$ 3,366,070
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	$ 6,498	$ (5,374)	$ 151,614	$ (398,946)	$ (246,209)
Adjustments to Prior Year Encumbrances	$ 394	$ 826	$ 0	$ 0	$ 1,220
Other Financing Sources (Uses):					
Estopped Warrants	$ 183	$ 300	$ 0	$ 0	$ 483
Bond Proceeds	0	0	0	1,815,000	1,815,000
Transfers In	0	0	0	0	0
Transfers Out	(200)	(150)	0	0	(350)
Total Other Financing Sources (Uses)	$ (17)	$ 150	$ 0	$ 1,815,000	$ 1,815,133
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	$ 6,874	$ (4,398)	$ 151,614	$ 1,416,054	$ 1,570,143
Fund Balance - Beginning of Year	360,864	66,250	130,893	69,423	627,430
Fund Balance - End of Year	$ 367,737	$ 61,852	$ 282,507	$ 1,485,477	$ 2,197,573

The notes to the financial statements are an integral part of this statement.

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Regulatory Basis - Budgeted Governmental Fund Types
For the Year Ending June 30, 2014

EXHIBIT C

	General Fund			Special Revenue Funds			Debt Service Fund		
Revenue Collected:	**Original Budget**	**Final Budget**	**Actual**	**Original Budget**	**Final Budget**	**Actual**	**Original Budget**	**Final Budget**	**Actual**
Local Sources	$ 697,335	$ 697,335	$ 715,009	$ 99,553	$ 99,553	$ 100,754	$ 401,253	$ 401,253	$ 378,374
Intermediate Sources	62,232	62,232	81,439	0	0	0	0	0	0
State Sources	1,547,959	1,547,959	1,503,817	19,575	19,575	17,167	0	0	0
Federal Sources	183,473	183,473	174,393	100,008	100,008	106,878	0	0	0
Non-Revenue Receipts	0	0	0	0	0	40,739	0	0	1,292
Total Revenue Collected	$ 2,490,999	$ 2,490,999	$ 2,474,658	$ 219,136	$ 219,136	$ 265,537	$ 401,253	$ 401,253	$ 379,666
Expenditures Paid:									
Instruction	$ 1,509,831	$ 1,509,831	$ 1,560,008	$ 0	$ 0	$ 4,934	$ 0	$ 0	$ 0
Support Services	943,868	943,868	901,757	141,073	141,073	91,519	0	0	0
Operation of Non-Instructional Services	4,670	4,670	6,138	183,865	183,865	174,458	0	0	0
Facilities Acquisition and Construction	0	0	0	0	0	0	0	0	0
Other Outlays	0	0	0	0	0	0	532,116	532,116	228,053
Other Uses	393,294	393,294	0	0	0	0	0	0	0
Repayments	0	0	0	0	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	258	0	0	0	0	0	0
Total Expenditures Paid	$ 2,851,662	$ 2,851,662	$ 2,468,160	$ 324,937	$ 324,937	$ 270,911	$ 532,116	$ 532,116	$ 228,053
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	$ (360,664)	$ (360,664)	$ 6,498	$ (105,802)	$ (105,802)	$ (5,374)	$ (130,862)	$ (130,862)	$ 151,614
Adjustments to Prior Year Encumbrances	$ 0	$ 0	$ 394	$ 0	$ 0	$ 826	$ 0	$ 0	$ 0
Other Financing Sources (Uses):									
Estopped Warrants	$ 0	$ 0	$ 183	$ 0	$ 0	$ 300	$ 0	$ 0	$ 0
Transfers In	0	0	0	39,701	39,701	0	0	0	0
Transfers Out	(200)	(200)	(200)	(150)	(150)	(150)	0	0	0
Total Other Financing Sources (Uses)	$ (200)	$ (200)	$ (17)	$ 39,551	$ 39,551	$ 150	$ 0	$ 0	$ 0
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	$ (360,864)	$ (360,864)	$ 6,874	$ (66,250)	$ (66,250)	$ (4,398)	$ (130,862)	$ (130,862)	$ 151,614
Fund Balance - Beginning of Year	360,864	360,864	360,864	66,250	66,250	66,250	130,893	130,893	130,893
Fund Balance - End of Year	$ 0	$ 0	$ 367,737	$ 0	$ 0	$ 61,852	$ 31	$ 31	$ 282,507

The notes to the financial statements are an integral part of this statement.

GARBER SCHOOL DISTRICT #I–47 1/2
GARFIELD COUNTY – OKLAHOMA
JULY 1, 2013 TO JUNE 30, 2014

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

The financial statements of the Garber School District #I-47 1/2 have been prepared in conformity with an other comprehensive basis of accounting required by Oklahoma Statutes. The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

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

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic – but not the only – criterion for including potential component unit within the reporting entity is the governing body's oversight responsibility, especially financial interdependency. A second criterion used in evaluating potential component units is the scope of public service. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

B. Fund Accounting

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

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

Funds are classified into two categories; governmental and fiduciary. Each category, in turn, is divided into separate "fund types".

B. Fund Accounting (continued)

Fund Description

The following funds are utilized by the Garber School District #I-47 1/2.

Governmental Fund Types -	Fiduciary Fund Types –
General Fund	Trust and Agency Fund
Special Revenue Funds	
Debt Service Fund	
Capital Project Funds	

Governmental Fund Types

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

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

Special Revenue Funds – The Special Revenue Funds are the District's Building Fund, Municipal Tax Levy Fund and Child Nutrition Fund. The Building Fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment. The Child Nutrition Fund derives monies from the sale of foods and federal and state program reimbursements. Expenditures include costs associated with the daily operations of the District's nutrition program. The Municipal Tax Levy Fund consists of monies derived from special sales tax on behalf of the District. These funds are to be kept separate and expended only for those items addressed in the tax levy agreement.

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

Capital Project Funds – The Capital Project Funds are the District's Bond Funds and are used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing, and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

Fiduciary Fund Types

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

Agency Fund – The Agency Fund is the school Activity Fund which is used to account for monies collected principally through fundraising efforts of the students and District-sponsored groups. The administration is responsible, under the authority of the Board, of collecting, disbursing, and accounting for these activity funds. The school Activity Funds can include money which is received from the sale of foods through a school Lunch Fund.

Memorandum Only – Total Column

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

C. Basis of Accounting and Presentation

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

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

* Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
* Investments and inventories are recorded as assets when purchased.
* Capital assets in proprietary funds are recorded when acquired and depreciated over their useful lives.
* Warrants payable are recorded as liabilities when issued.
* Long-term debt is recorded when incurred.
* Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

C. Basis of Accounting and Presentation (continued)

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

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

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

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

The unencumbered balance of current fiscal year appropriations and the unexpended reserve appropriations of the previous fiscal year are lapsed and become a part of the beginning fund balance for the succeeding fiscal year.

E. Assets, Liabilities and Fund Equity

Cash, Cash Equivalents and Investments

All monies which are not invested in Certificate of Deposits or United States Treasury Funds are maintained in NOW Checking Accounts or Savings Accounts.

Inventories

The value of consumable inventories at June 30, 2014 is not material to the financial statements.

Fixed Assets and Property, Plant and Equipment

Property and equipment purchases are recorded as capital outlays in the accompanying statements of revenues, expenditures and changes in fund balances. The District does not maintain complete financial records of capital assets purchased which would include depreciation schedules; therefore, a General Fixed Asset Group of Accounts is not presented.

Compensated Absences

The District has elected not to present a liability for compensated absences.

Operating Leases

The District has elected not to present a liability for operating leases. All operating leases contain a mutual ratification clause for both parties; therefore, the District does not consider the obligation to be for a period extending beyond the current fiscal year.

Long Term Debt

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

General Long-Term Debt

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without 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 long-term debt of the District consists of bonds payable. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

a.) A principal and interest repayment schedule of the outstanding general obligation bond issues at June 30, 2014 is set forth below:

$230,000.00 Building Bonds of 2012

Payment Date	Principal	Rate	Interest	Total
1 Jul 14	$230,000.00	0.700%	$ 3,220.00	$233,220.00

$350,000.00 Transportation Bonds of 2013

Payment Date	Principal	Rate	Interest	Total
1 Oct 14	$ 0.00		$ 1,686.25	$ 1,686.25
1 Apr 15	85,000.00	0.95%	1,686.25	86,686.25
1 Oct 15	0.00		1,282.50	1,282.50
1 Apr 16	85,000.00	0.95%	1,282.50	86,282.50
1 Oct 16	0.00		878.75	878.75
1 Apr 17	85,000.00	0.95%	878.75	85,878.75
1 Jan 17	0.00		475.00	475.00
1 Apr 18	95,000.00	1.00%	475.00	95,475.00
	$350,000.00		$ 8,645.00	$358,645.00

General Long-Term Debt (continued)

$340,000.00 Building Bonds of 2013

Payment Date	Principal	Rate	Interest	Total
1 Jul 15	$340,000.00	0.750%	$ 5,100.00	$345,100.00

$1,475,000.00 Building Bonds of 2014

Payment Date	Principal	Rate	Interest	Total
1 Jul 16	$ 95,000.00	1.100%	$34,750.00	$ 129,750.00
1 Jan 17	0.00		8,165.00	8,165.00
1 Jul 17	460,000.00	1.100%	8,165.00	468,165.00
1 Jan 18	0.00		5,635.00	5,635.00
1 Jul 18	460,000.00	1.100%	5,635.00	465,635.00
1 Jan 19	0.00		3,105.00	3,105.00
1 Jul 19	460,000.00	1.350%	3,105.00	463,105.00
	$1,475,000.00		$68,560.00	$1,543,560.00

b.) The District has entered into lease agreements as Lessee for financing the acquisition of equipment, building and fixtures and a copier machine. These lease agreements qualify as capital leases, for accounting purposes, since title does not transfer until the end of the lease terms and they have been recorded at the present value of the future minimum lease payments. These leases contain a clause which gives the District the ability to terminate the lease agreements at the end of each fiscal year.

As noted in Note 1 to the financial statements, the District does not record fixed assets in the financial statements. Consistent with this, the District has not recorded the above assets as assets in the General Fixed Assets Account Group. The District has recorded the liability for future lease payments in the general long-term debt group for the above leases.

The schedule of future minimum lease payments, under the capital lease and present value of the net minimum lease payments at June 30, 2014, is as follows:

Year Ending June 30	Equipment	Building & Fixtures	Copier	Total
2015	$ 0.00	$1,165,000.00		$1,165,000.00
Less: Amount Representing Interest	0.00	53,358.78	0.00	53,358.78
Present Value of Minimum Lease Payments	$ 0.00	$1,111,641.22	$ 0.00	$1,111,641.22

General Long-Term Debt (continued)

c.) The District entered into a lease agreement as Lessee for financing the acquisition of a scoreboard, mower and insulation for school buildings. This lease agreement qualifies as a capital lease, for accounting purposes, since title does not transfer until the end of the lease term and it has been recorded at the present value of the future minimum lease payments. This lease contains a clause which gives the District the ability to terminate the lease agreement at the end of each fiscal year.

Principal Amount	$ 20,000.00
Payments to 6/30/14	11,365.11
Balance Outstanding	$ 8,634.89

Payment Date	Principal Payment	Interest Payment	Total Payment
2 Sep 14	$ 4,204.09	$ 465.64	$ 4,669.73
2 Sep 15	4,430.80	238.93	4,669.73
	$ 8,634.89	$ 704.57	$ 9,339.46

Cash Fund Balance

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

Safeguard of Deposits and Investments

State statutes require that all deposits in financial institutions be fully collateralized by the United States Government obligations or obligations of Oklahoma and its agencies that have a market value of not less than the principal amount of the deposits. The District Treasurer is responsible for maintaining adequate coverage of all funds on deposit through security pledges approved by the Treasurer of the State of Oklahoma.

Deposit Categories of Credit Risk

(A) Insured by Federal Deposit Insurance.
(B) Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
(C) Uncollateralized.

	Category (A)	(B)	(C)	BANK BALANCE
Cash/Investments	$ 326,828.24	$ 979,532.96	$1,096,591.71	$2,402,952.91

F. Revenue, Expenses and Expenditures

State Revenues

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

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 ear-marked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical program. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

Property Tax Revenue

The District is authorized by state law to levy property taxes which consists 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 the taxes are 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 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

Inter-fund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed. Any legally authorized transfers are treated as operating transfers and are included in the results of the Government Funds. Transfers between the Agency Funds (Activity Funds) and the Governmental Fund Types (General Fund) are shown as operating transfers into the Governmental Fund Types (General Fund) only. No transfer is shown out from the Agency Funds as they are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

2. Risk Management

Liabilities Protection Plan

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal year.

The School also participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling risks amount the participants of that pool In accordance with professional standards, the District reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to them during the plan year. As a member of OSAG, the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the District's losses for the last five years. OSAG provides coverage in excess of the Loss Fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use their loss fund in three years, it is returned to them with no interest.

The District is also a member of the Oklahoma Public School Unemployment Compensation Program. In this program, the District is required to make a deposit based on past experience for potential unemployment claims. The funds for each District are kept separate. The money contributed by each District does not earn interest and is fully insured. If the District has claims in excess of the amount of their account, they would be liable for the excess.

Surety Bonds

Claudia Howerton, Treasurer, is bonded with the Ohio Casualty Company, in the amount of $50,000.00. The bond number is 601032823, dated July 1, 2013 to July 1, 2014. The positions covered are as follows:

Jim Lamer, Superintendent, is bonded with the Ohio Casualty Company, in the amount of $100,000.00. The bond number is 5058321, dated July 1, 2013 to July 1, 2014. The positions covered are as follows:

The District maintains a Public Employees Dishonesty Bond with the Ohio Casualty Company. The bond number is 3009472, dated May 1, 2014 to May 1, 2015. The positions covered are as follows:

1.	Activity Fund Custodian	$7,000.00
2.	Lunch Fund Custodian	7,000.00
3.	Encumbrance/Minutes Clerk	7,000.00

All other employees are bonded in the amount of $5,000.00 each.

3. Employee Retirement System

The District participates in the state-administered Oklahoma Teachers' Retirement System (the "System"), which is a cost-sharing, multiple-employer public employee retirement system (PERS). 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. A participant's date of membership is the date the first contribution is made to the System. The System is administered by a board of trustees which acts as a fiduciary for investing the funds and governing the administration of the System. The District has no responsibility or authority for the operation and administration of the System nor has it any liability, except for the current contribution requirements.

The System issues an independent financial report, financial statements and required supplementary information that can be obtained in writing at the Teachers' Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, OK 73152 or by calling (405)521-2387.

A participant with 5 years of creditable service may retire with a normal retirement allowance at the age of sixty-two or with reduced benefits as early as age fifty-five. The normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised, equals two percent of the average of the highest three earning years of contributory service multiplied by the number of years of credited service. A participant leaving employment before attaining retirement age, but completing ten years of service, may elect to vest his accumulated contributions and defer receipt of a retirement annuity until a later date. When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit of $18,000.00, and the surviving spouse may, in lieu of the death benefit, elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death.

The 2013-14 contribution rates for the Districts, which are not actuarially determined, and its employees 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. An additional 8.25% of compensation is required for federal grants. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. The required contribution for participating members is 7% up to a maximum compensation level.

The total contributions for employees of Garber School District #I-47 1/2 covered by the System for the year 2014, 2013 and 2012 were $227,981.03, $211,620.34 and $203,271.07, respectively.

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in the future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The non-funded pension benefit obligation of the System as determined as part of the latest actuarial valuation dated June 30, 2013, is as follows:

Total pension obligation	$ 18,973,166,739
Net assets available for benefits, at cost	10,861,057,537
Non-funded pension benefit obligation	$ 8,112,109,202

3. Employee Retirement System (continued)

The System's accounting records are maintained on the cash basis of accounting, except for accruals of interest income.

Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2013. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they come due.

4. 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.

5. Subsequent Events

Management has evaluated subsequent events through April 21, 2015, which is the date the financial statements were available to be issued.

Garber School District No.I-047.5, Garfield County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Special Revenue Funds
For the Year Ending June 30, 2014

SCHEDULE A-1

ASSETS	**Building Fund**	**Child Nutrition Fund**	**Municipal Tax Fund**	**Total June 30, 2014**
Cash and Cash Equivalents	$ 50,037	$ 20,469	$ 6,320	$ 76,825
Investments	0	0	0	0
Total Assets	$ 50,037	$ 20,469	$ 6,320	$ 76,825
LIABILITIES AND FUND BALANCE				
Liabilities:				
Warrants Payable	$ 0	$ 2,535	$ 0	$ 2,536
Reserve for Encumbrances	10,136	2,301	0	12,437
Total Liabilities	$ 10,136	$ 4,837	$ 0	$ 14,973
Fund Balances:				
Restricted	$ 39,901	$ 15,632	$ 6,320	$ 61,852
Total Fund Balances	$ 39,901	$ 15,632	$ 6,320	$ 61,852
Total Liabilities and Fund Balances	$ 50,037	$ 20,469	$ 6,320	$ 76,825

The notes to the financial statements are an integral part of this statement.

Garber School District No.I-047.5, Garfield County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - Special Revenue Funds
For the Year Ending June 30, 2014

SCHEDULE B-1

	Building Fund	Child Nutrition Fund	Municipal Tax Fund	Total June 30, 2014
Revenue Collected:				
Local Sources	$ 98,227	$ 437	$ 2,090	$ 100,754
Intermediate Sources	0	0	0	0
State Sources	10	17,157	0	17,167
Federal Sources	0	106,878	0	106,878
Non-Revenue Receipts	0	40,739	0	40,739
Total Revenue Collected	$ 98,237	$ 165,210	$ 2,090	$ 265,537
Expenditures Paid:				
Instruction	$ 4,934	$ 0	$ 0	$ 4,934
Support Services	91,519	0	0	91,519
Operation of Non-Instructional Services	0	174,458	0	174,458
Facilities Acquisition and Construction	0	0	0	0
Other Outlays	0	0	0	0
Other Uses	0	0	0	0
Repayments	0	0	0	0
Interest Paid and Bank Charges	0	0	0	0
Total Expenditures Paid	$ 96,453	$ 174,458	$ 0	$ 270,911
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	$ 1,785	$ (9,248)	$ 2,090	$ (5,374)
Adjustments to Prior Year Encumbrances	$ 826	$ 0	$ 0	$ 826
Other Financing Sources (Uses):				
Estopped Warrants	$ 0	$ 300	$ 0	$ 300
Transfers In	0	0	0	0
Transfers Out	0	(150)	0	(150)
Total Other Financing Sources (Uses)	$ 0	$ 150	$ 0	$ 150
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	$ 2,611	$ (9,098)	$ 2,090	$ (4,398)
Fund Balance - Beginning of Year	37,290	24,730	4,230	66,250
Fund Balance - End of Year	$ 39,901	$ 15,632	$ 6,320	$ 61,852

The notes to the financial statements are an integral part of this statement.

Garber School District No.I-047.5, Garfield County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - Capital Project Funds
For the Year Ending June 30, 2014

SCHEDULE B-2

	Transport Bond Fund	Building Bond Fund	Total June 30, 2014
Revenue Collected:			
Local Sources	$ 0	$ 0	$ 0
Intermediate Sources	0	0	0
State Sources	0	0	0
Federal Sources	0	0	0
Non-Revenue Receipts	0	0	0
Total Revenue Collected	$ 0	$ 0	$ 0
Expenditures Paid:			
Instruction	$ 0	$ 0	$ 0
Support Services	48,948	349,998	398,946
Operation of Non-Instructional Services	0	0	0
Facilities Acquisition and Construction	0	0	0
Other Outlays	0	0	0
Other Uses	0	0	0
Repayments	0	0	0
Interest Paid and Bank Charges	0	0	0
Total Expenditures Paid	$ 48,948	$ 349,998	$ 398,946
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	$ (48,948)	$ (349,998)	$ (398,946)
Adjustments to Prior Year Encumbrances	$ 0	$ 0	$ 0
Other Financing Sources (Uses):			
Estopped Warrants	$ 0	$ 0	$ 0
Sale of Bonds	0	1,815,000	1,815,000
Transfers In	0	0	0
Transfers Out	0	0	0
Total Other Financing Sources (Uses)	$ 0	$ 1,815,000	$ 1,815,000
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	$ (48,948)	$ 1,465,002	$ 1,416,054
Fund Balance - Beginning of Year	48,948	20,475	69,423
Fund Balance - End of Year	$ 0	$ 1,485,477	$ 1,485,477

The notes to the financial statements are an integral part of this statement.

Garber School District No.I-047.5, Garfield County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory BasisSpecial Revenue Funds - Budget and Actual
For the Year Ending June 30, 2014

SCHEDULE C-1

	Building Fund			Municipal Tax Fund			Child Nutrition Fund			Total		
Revenue Collected:	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Local Sources	$ 99,553	$ 99,553	$ 98,227	$ 0	$ 0	$ 2,090	$ 0	$ 0	$ 437	$ 99,553	$ 99,553	$ 100,754
Intermediate Sources	0	0	0	0	0	0	0	0	0	0	0	0
State Sources	0	0	10	0	0	0	19,575	19,575	17,157	19,575	19,575	17,167
Federal Sources	0	0	0	0	0	0	100,008	100,008	106,878	100,008	100,008	106,878
Non-Revenue Receipts	0	0	0	0	0	0	0	0	40,739	0	0	40,739
Total Revenue Collected	$ 99,553	$ 99,553	$ 98,237	$ 0	$ 0	$ 2,090	$ 119,583	$ 119,583	$ 165,210	$ 219,136	$ 219,136	$ 265,537
Expenditures Paid:												
Instruction	$ 0	$ 0	$ 4,934	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4,934
Support Services	136,843	136,843	91,519	4,230	4,230	0	0	0	0	141,073	141,073	91,519
Operation of Non-Instructional Services	0	0	0	0	0	0	183,865	183,865	174,458	183,865	183,865	174,458
Facilities Acquisition and Construction	0	0	0	0	0	0	0	0	0	0	0	0
Other Outlays	0	0	0	0	0	0	0	0	0	0	0	0
Other Uses	0	0	0	0	0	0	0	0	0	0	0	0
Repayments	0	0	0	0	0	0	0	0	0	0	0	0
Interest Paid	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures Paid	$ 136,843	$ 136,843	$ 96,453	$ 4,230	$ 4,230	$ 0	$ 183,865	$ 183,865	$ 174,458	$ 324,937	$ 324,937	$ 270,911
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	$ (37,290)	$ (37,290)	$ 1,785	$ (4,230)	$ (4,230)	$ 2,090	$ (64,282)	$ (64,282)	$ (9,248)	$ (105,802)	$ (105,802)	$ (5,374)
Adjustments to Prior Year Encumbrances	$ 0	$ 0	$ 826	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 826
Other Financing Sources (Uses):												
Estopped Warrants	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 300	$ 0	$ 0	$ 300
Transfers In	0	0	0	0	0	0	39,701	39,701	0	39,701	39,701	0
Transfers Out	0	0	0	0	0	0	(150)	(150)	(150)	(150)	(150)	(150)
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 39,551	$ 39,551	$ 150	$ 39,551	$ 39,551	$ 150
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	$ (37,290)	$ (37,290)	$ 2,611	$ (4,230)	$ (4,230)	$ 2,090	$ (24,730)	$ (24,730)	$ (9,098)	$ (66,250)	$ (66,250)	$ (4,398)
Fund Balance - Beginning of Year	37,290	37,290	37,290	4,230	4,230	4,230	24,730	24,730	24,730	66,250	66,250	66,250
Fund Balance - End of Year	$ 0	$ 0	$ 39,901	$ 0	$ 0	$ 6,320	$ 0	$ 0	$ 15,632	$ 0	$ 0	$ 61,852

The notes to the financial statements are an integral part of this statement.

GARBER SCHOOL DISTRICT #I-47 1/2
GARFIELD COUNTY - OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
ALLOCATIONS & EXPENDITURES
07/01/13 TO 06/30/14

SCHEDULE 1-00

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED OR (DEFERRED) REVENUE AT JULY 1, 2013	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED OR (DEFERRED) REVENUE AT JUNE 30, 2014
U.S Department of Education - Direct Programs							
REAP	84.358A	588	$22,763.00	$0.00	$22,763.00	$22,763.00	$0.00
State Department of Education -							
Title I, Part A	84.010	511	75,781.48	0.00	73,980.92	73,980.92	0.00
Title II, Part A	84.367	541/586	16,559.34	0.00	16,424.97	16,424.97	0.00
IDEA-B Early Flow Through	84.027	621	71,649.76	0.00	59,306.01	59,306.01	0.00
IDEA-B Preschool	84.173	641	1,917.79	0.00	1,917.79	1,917.79	0.00
Special Education Cluster				0.00	61,223.80	61,223.80	0.00
U.S. Department of Agriculture -							
Child Nutrition Cluster:							
National School Lunch Program	10.555	763	76,657.11	(11,342.84)	76,657.11	80,586.06	(7,413.89)
School Breakfast Program	10.553	764	30,220.50	(18.71)	30,220.50	30,239.31	0.10
Total Cash Assistance				(11,361.55)	106,877.61	110,825.37	(7,413.79)
Commodity Distribution (Non-Cash)	10.550	N/A	7,849.55	0.00	10,044.42	10,044.42	0.00
Total Child Nutrition Program				(11,361.55)	116,922.03	120,869.79	(7,413.79)
TOTAL FEDERAL FINANCIAL ASSISTANCE				($11,361.55)	$291,314.72	$295,262.48	($7,413.79)

CONTINUED ON PAGE 2

GARBER SCHOOL DISTRICT #I-47 1/2
GARFIELD COUNTY - OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
ALLOCATIONS & EXPENDITURES
07/01/13 TO 06/30/14

NOTE 1: The Schedule of Expenditures of Federal Awards was prepared using the same accounting policies used in preparing the District's financial statements. The District's policy is to recognize expenditures when encumbered (contracted for) rather than at the time the related fund liability is incurred.

NOTE 2: The District policy is to expend Child Nutrition federal, state and local revenues, in that order, during each fiscal year. If there are any unexpended federal or state funds remaining at the end of a fiscal year, those funds will be expended during the next fiscal year, prior to the utilization of current year funding.

NOTE 3: The amount shown as received and expended in the Child Nutrition Cluster for commodities represents a nonmonetary value of the food commodities received. Therefore, the total revenues and expenditures do not agree with the financial statements by this amount.

The notes to financial statements are an integral part of this statement.

GARBER SCHOOL DISTRICT #I-47 1/2
GARFIELD COUNTY - OKLAHOMA
SCHOOL ACTIVITY FUND
REVENUES, EXPENDITURES AND BALANCES
07/01/13 TO 06/30/14

SCHEDULE 2-00

ACCOUNT	07/01/13	REVENUES	ADJUSTMENTS	TRANSFERS	EXPENDITURES	06/30/14
ACADEMIC TEAM	$26.89	$0.00	$0.00	$0.00	$0.00	$26.89
ALUMNI BASEBALL	729.88	2,110.90			2,256.03	584.75
ANNUAL/YEARBOOK	5,552.41	7,260.08			6,582.26	6,230.23
HS PEP CLUB	321.69	60.00			53.99	327.70
ATHLETICS	3,284.14	30,730.25			33,713.14	301.25
BAND	1,928.05	41,852.16			43,192.52	587.69
CLEARING	0.00	50.00			50.00	0.00
CLASS 2016	2,998.62	0.00			0.00	2,998.62
8TH GRADE	1,057.58	959.50			1,188.03	829.05
CLASS OF 2017	503.15	11,636.80			8,795.00	3,344.95
DRAMA/PLAY	52.17	0.00			0.00	52.17
ELEMENTARY	7,350.48	12,632.10			12,961.52	7,021.06
FCA	3.92	720.00			720.00	3.92
FFA	10,348.02	30,576.18			35,201.20	5,723.00
FCCLA	2,607.13	8,755.00		(3.78)	7,952.90	3,405.45
4-H	2,052.74	857.91			1,000.57	1,910.08
LIBRARY	245.27	2,474.57		429.80	2,896.17	253.47
NATIONAL HONOR SOCIETY	558.25	660.70			661.99	556.96
PETTY CASH	0.00	200.00			200.00	0.00
HS CHEERLEADERS	728.07	5,167.31			4,907.00	988.38
JH PEP CLUB/CHEERLEADERS	2,100.73	3,123.96		(429.80)	2,025.32	2,769.57
SPORTS BOOSTERS	2,899.69	9,160.00			8,467.55	3,592.14
STUDENT COUNCIL	391.73	936.00			1,010.00	317.73
VENDING	512.11	739.29			600.00	651.40
GENERAL	467.15	361.24			360.75	467.64
SPANISH CLUB	25.55	0.00			0.00	25.55
SENIOR CLASS OF 2012	0.00	0.00			0.00	0.00
TREES	155.00	0.00			0.00	155.00
SENIOR CLASS OF 2011	0.00	0.00			0.00	0.00
SENIOR CLASS OF 2013	319.18	0.00		(244.18)	75.00	(0.00)

CONTINUED ON PAGE 2

GARBER SCHOOL DISTRICT #I-47 1/2
GARFIELD COUNTY - OKLAHOMA
SCHOOL ACTIVITY FUND
REVENUES, EXPENDITURES AND BALANCES
07/01/13 TO 06/30/14

ACCOUNT	07/01/13	REVENUES	ADJUSTMENTS	TRANSFERS	EXPENDITURES	06/30/14
INTEREST EARNED	173.27	97.34	0.00	0.00	250.20	20.41
CLASS OF 2014	1,736.58	310.00		244.18	2,271.70	19.06
CHILD NUTRITION	0.00	41,210.39			41,210.39	0.00
COMMUNITIES FOUNDATION	289.01	1,579.00			1,799.00	69.01
GARBER BAND BOOSTERS	16,334.91	34,575.66			49,166.15	1,744.42
BASKETBALL	3,230.52	14,063.00			14,519.23	2,774.29
ROTARY SCHOLARSHIP	1,224.60	0.00			100.00	1,124.60
FFA BOOSTERS CLUB	12,746.30	23,432.00			23,039.13	13,139.17
PARTNERS IN EDUCATION	2,715.99	3,021.85			2,588.71	3,149.13
CLASS OF 2015	3,123.26	26,675.89		3.78	25,423.99	4,378.94
AFTER PROM PARTY	224.53	5,699.70			5,246.88	677.35
TOTALS	$89,018.57	$321,688.78	$0.00	$0.00	$340,486.32	$70,221.03

The notes to financial statements are an integral part of this statement.

GARBER SCHOOL DISTRICT #I-47 1/2
GARFIELD COUNTY - OKLAHOMA
SCHOOL ACTIVITY FUND
RECONCILIATION STATEMENT
07/01/13 TO 06/30/14

SCHEDULE 2-01

DEPOSITORY	DETAIL	TOTALS
CASH	76,828.24	
TOTAL DEPOSITORY		$76,828.24

FUND		
LEDGER BALANCE	70,221.03	
ADD: 2013-14 OUTSTANDING	5,619.24	
2012-13 OUTSTANDING	177.24	
2011-12 OUTSTANDING	357.25	
2010-11 OUTSTANDING	453.48	
TOTAL DEPOSITORY		$76,828.24

The notes to financial statements are an integral part of this statement.

GARBER SCHOOL DISTRICT #I-47 1/2
GARFIELD COUNTY - OKLAHOMA
SCHOOL ACTIVITY FUND
CASH STATEMENT
07/01/13 TO 06/30/14

SCHEDULE 2-02

	TOTAL	2013-14	2012-13	2011-12	PRIOR	INVESTMENTS
BEGINNING CASH AND INVESTMENTS	$83,163.88	$78,452.43	$3,900.72	$357.25	$453.48	$0.00
REVENUES						
DEPOSITS	321,591.44	321,591.44				
PY DEPOSIT IN TRANSIT	10,566.14	10,566.14				
INTEREST	97.34	97.34				
REDEPOSITS	237.00	237.00				
CHECKS ESTOPPED	0.00	0.00				
TOTAL REVENUES	332,491.92	332,491.92	0.00	0.00	0.00	0.00
EXPENDITURES						
CHECKS PAID	337,905.81	334,182.33	3,723.48			
RET CKS/RET CK CHGS	921.75	921.75				
SERVICE CHARGES	0.00	0.00				
TOTAL EXPENDITURES	338,827.56	335,104.08	3,723.48	0.00	0.00	0.00
ENDING BALANCES	$76,828.24	$75,840.27	$177.24	$357.25	$453.48	$0.00

The notes to financial statements are an integral part of this statement.

GARBER SCHOOL DISTRICT #I-47 1/2 SCHEDULE 3-00
GARFIELD COUNTY – OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2013 TO JUNE 30, 2014

STATE OF OKLAHOMA)
)
COUNTY OF GARFIELD)

The undersigned auditing firm of lawful age, being first duly sworn on oath says that said firm had in Full force and effect Accountant' Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of the audit contract and during the entire audit engagement with the Garber School District #I-47 1/2, Garfield County, Oklahoma, for the audit year 2013-14.

Chas. W. Carroll, P.A.
Auditing Firm

By: _____

Subscribed and sworn to before me this 21st day of January, 2015.

_____
Notary Public

PAM S. MELVIN NOTARY PUBLIC #00000728 EXP 1/29/2016 IN AND FOR STATE OF OKLAHOMA GARFIELD COUNTY

My Commission expires January 29, 2016.

Chas. W. Carroll, P.A.

Hiland Tower – Suite 406
302 N. Independence

Enid, Oklahoma 73701
Phone 580-234-5468
Fax 580-234-5425

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

The Honorable Board of Education
Garber School District #I-47 1/2
Garfield County, Oklahoma

I have audited, 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, the accompanying fund type and account group financial statements, regulatory basis, of Garber School District #I-47 1/2, Garfield County, Oklahoma, as listed in the Table of Contents as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collective comprise the District's combined financial statements and have issued my report thereon dated April 21, 2015. The report on these financial statements was adverse because the District has elected to prepare its financial statements in conformity with the accounting and financial reporting regulations prescribed by the Oklahoma State Department of Education, which is a material departure from accounting principles generally accepted in the United States of America. My opinion regarding the presentation of the financial statements referred to above in conformity with the prescribed basis of accounting was qualified due to the omission of the general fixed asset account group.

Internal Control Over Financial Reporting
In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District'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 deficiency, or a combination of deficiencies, in internal control such that there reasonable possibility that a material misstatement of the District'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.

My consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 14-01 that I consider to be a significant deficiencies.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

I noted certain matters that I reported to management of the District in a separate letter titled Current Year Audit Exceptions and Recommendations as item B-1.

The District's response to the findings identified in my audit is described in the accompanying school's corrective action plan. I did not audit the District's response and, accordingly I express no opinion on it.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance, Accordingly, the communication is not suitable for any other purpose.

Chas. W. Carroll, P.A.
April 21, 2015

GARBER SCHOOL DISTRICT #I–47 1/2
GARFIELD COUNTY – OKLAHOMA
JULY 1, 2013 TO JUNE 30, 2014

SCHEDULE OF FINDINGS
JUNE 30, 2014

Section 1 – Summary of Auditor's Results

14-01 Finding

Statement of Condition – The balance of the Districts funds were in excess of the collateral pledged for the safeguard of deposits at June 30, 2014.

Criteria – It is the responsibility of the official fund custodian to maintain adequate pledges for the safeguard of funds on deposit at all times.

Cause/Effect of Condition – The District did not maintain sufficient pledged securities to insure or guarantee all funds at its depository as required by Oklahoma Statutes (See page 13 of the Audit - Deposit Categories of Credit Risk).

Recommendation – Collateral of District funds should be pledged and maintained on all accounts as required by Oklahoma Statutes.

GARBER SCHOOL DISTRICT #I–47 1/2
GARFIELD COUNTY – OKLAHOMA
JULY 1, 2013 TO JUNE 30, 2014

DISPOSITION OF PRIOR YEAR FINDINGS
JUNE 30, 2014

Section 1 – Summary of Auditor's Results

13-01 Finding

Statement of Condition – During my examination of fifteen (15) Activity Fund expenditures I noted one (1) requisition did not have an invoice attached, two (2) invoices were dated before the requisition and one (1) invoice did not have a date.

Criteria – All expenditures are to have requisitions submitted prior to any order of goods or services are made, which includes a predetermined amount, all invoices or packing slips are to be signed by personnel receiving goods or services and invoices are required documentation before payment is made.

Cause/Effect of Condition – Employees were not following purchasing procedures, which could lead to unauthorized purchases being made.

Recommendation – I recommend all purchases be approved with a purchase order/requisition prior to items being ordered and be accompanied by an itemized, dated and signed invoice.

Current Status – This finding was corrected during the current year.

13-02 Finding

Statement of Condition – The balance of the Districts funds were in excess of the collateral pledged for the safeguard of deposits at June 30, 2013.

Criteria – It is the responsibility of the official fund custodian to maintain adequate pledges for the safeguard of funds on deposit at all times.

Cause/Effect of Condition – The District did not maintain sufficient pledged securities to insure or guarantee all funds at its depository as required by Oklahoma Statutes (See page 13 of Notes to Financial Statements - Deposit Categories of Credit Risk).

Recommendation – Collateral of District funds should be pledged and maintained on all accounts as required by Oklahoma Statutes.

Current Status – This finding continued during the current year.

13-03 Finding

Statement of Condition – During my testing of activity fund fundraisers, I noted money was not turned into the Activity Fund Custodian for deposit in a timely manner.

Criteria – Oklahoma State statutes require that money be deposited anytime amount exceeds $100.00 but never less than once a week.

Cause/Effect of Condition - Sponsor did not follow school procedures and, therefore, money was at risk to be misplaced or stolen.

GARBER SCHOOL DISTRICT #I–47 1/2
GARFIELD COUNTY – OKLAHOMA
JULY 1, 2013 TO JUNE 30, 2014

DISPOSITION OF PRIOR YEAR FINDINGS
JUNE 30, 2014

13-03 Finding (continued)

Recommendation – I recommend sponsors turn in money for deposits daily.

Current Status – This finding was corrected during the current year.

GARBER SCHOOL DISTRICT #I–47 1/2
GARFIELD COUNTY – OKLAHOMA
JULY 1, 2013 TO JUNE 30, 2014

PRIOR YEAR AUDIT EXCEPTIONS AND RECOMENDATIONS

All prior year audit exceptions have since been resolved unless they are presented in the current year audit exceptions and recommendations followed by "A similar exception was presented in the previous years audit report".

GARBER PUBLIC SCHOOLS

P.O. Box 539
Garber, OK 73738
580-863-2220

PHIL HOOPES
PK-8 Principal

MARC HATTON
High School Principal

JIM LAMER
Superinetndent

April 23, 2015

Financial Accounting Section State Department of Education
2500 N. Lincoln Blvd.
Oklahoma City, Ok. 73105

Below is Garber Public School's Corrective Process to be implemented for FY14 Audit Exceptions.

14-01
Procedures will be enforced to assure the collateral of all District funds will be pledged and maintained on all accounts as required by Oklahoma Statutes.

B-1
Procedures will be enforced to assure the District's employee contracts have the amendments, extra duty, Salary and time sheets for the individuals.

Procedures will be enforced to assure the District will send amended contracts salary and fringe benefits paid of the Superintendents, and file it with the State Department of Education in accordance with Oklahoma Statues.

Sincerely,

Jim Lamer, Superintendent
Garber Public School

cc: Pat Carroll