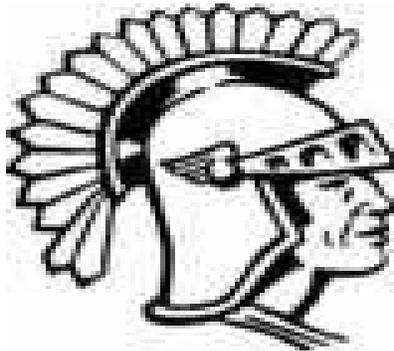


**JENKS SCHOOL DISTRICT NO. I-5
TULSA COUNTY, OKLAHOMA**

**FINANCIAL STATEMENTS
AND REPORTS OF INDEPENDENT AUDITORS**

JUNE 30, 2013



Audited by

**SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

BROKEN ARROW, OK

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5
TULSA COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2013

BOARD OF EDUCATION

President

Ron Barber

Vice-President

Chuck Forbes

Members

Anne McCoy

Jon Phillips

Melissa Abdo

Clerk of Board

Tracy Thomas

SUPERINTENDENT OF SCHOOLS

Kirby A. Lehman, Ed.D.

**CHIEF FINANCIAL OFFICER/
TREASURER**

Cody Way

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5
TULSA COUNTY, OKLAHOMA
JUNE 30, 2013

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JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5
TULSA COUNTY, OKLAHOMA
JUNE 30, 2013

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SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT

November 19, 2013

The Honorable Board of Education
Jenks School District Number I-5
Jenks, Tulsa County, Oklahoma

Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of the Jenks School District Number I-5, Jenks, Tulsa County, Oklahoma (the District), as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education. 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

Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

As discussed in Note 1, the financial statements are prepared by the District, on the basis of the financial reporting provisions of the 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 the 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 reasonable determined, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because 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 the District as of June 30, 2013, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” Paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balance arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2013, and the revenues collected and expenditures paid and encumbered for the year then ended on the regulatory basis of accounting described in Note 1.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The combining statements – regulatory basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 statements – regulatory basis 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combined statements – regulatory basis and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The management’s discussion and analysis and the budgetary comparison information on pages 3 through 8 and 32 through 36, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Other Reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2013 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and to 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 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.



Sanders, Bledsoe & Hewett
Certified Public Accounts, LLP

Independent School District No. 5 Tulsa County, Oklahoma Jenks Public Schools

Management's Discussion and Analysis Fiscal Year Ending June 30, 2012

Jenks Public Schools provides this discussion and analysis of the District's financial activities for the fiscal year ending June 30, 2012. The intent of this narrative overview is to look at the district's financial performance as a whole, and readers are encouraged to consider the notes to the basic financial statements and financial statements to enhance their understanding of Jenks Schools' financial performance.

Fund Financial Statements

This annual report consists of a series of financial statements. The governmental-wide statements include the Statement of Net Assets and Statement of Activities, which provide information about the activities of the entire District, presenting both an aggregate view of the District's finances and a long-term view of those finances. The district uses many funds to account for a multitude of financial transactions. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The fund financial statements focus on the individual segments of the District's operations in more detail than governmental-wide financial statements. Because the focus of District funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for District funds with similar information presented for District activities in the government-wide financial statement. Both the District's fund balance statement and the District's fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between funds and activities of each.

Funds are classified into three categories: governmental, proprietary and fiduciary with each category divided into separate "fund types." Governmental funds include General Fund, Building Fund, Child Nutrition Fund, Sinking Fund and Bond Fund. The District did not operate any proprietary funds, which use the same basis of accounting as "business-type" activities in the private sector. 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, and include, but are not limited to, PTAG (Parent/Teacher Association Group), Gifts and Endowments, Medical Insurance, Arbitrage, Workers Compensation, School Activity, and Community Education.

General Fund Highlights

The General Fund is the largest single governmental fund and comprises 68% of total District revenue. This fund represents the District's major or significant day-to-day operational expenses of doing business. At the close of fiscal year 2012, the District reported positive cash balances in all funds with the General Fund balance being **\$8,382,663** which is a percentage balance of 13.11% of revenue received for this fund. Over the past four years, Jenks Public Schools has continued to receive less revenue per pupil from the State of Oklahoma as well as a slowdown in state-wide property valuation growth thus impacting local property tax revenue in addition to stagnant interest earnings on investments. Jenks Public Schools Board of Education

and Administration have worked diligently to enhance and protect the fund balance reserves in order to address future revenue reductions in preparation of the 2012-13 fiscal year; and, anticipation of additional state funding cuts to Oklahoma public education. In April, 2012, the Board of Education made a commitment to lower class sizes at the elementary level in the school district for Fiscal 2012-13 by approving forty six new positions.

Fund Balances

As of the close of fiscal year 2012, the District funds reported a governmental-wide ending cash fund balance of **\$51,298,623**, reflecting a decrease of **\$727,415 or 1.40%** in comparison with the prior year. This decrease is due largely to the completion of two major construction projects utilizing District bond funds. Individual fund balances for the General Fund, Child Nutrition and Sinking Funds increased in comparison with the prior year. The District's General Fund represented the largest cash fund balance increase of **\$1,272,378**.

Fund Type	2011 Fund	2012 Fund	Variance	Percent
General	\$7,110,285	\$8,382,663	\$1,272,378	17.89%
Building	\$1,275,538	\$628,589	-\$646,949	-50.72%
Child Nutrition	\$1,506,187	\$1,272,968	-\$233,219	-15.48%
Sinking	\$13,746,356	\$13,994,060	\$247,704	1.80%
Bond	\$28,095,361	\$26,732,068	-\$1,363,293	-4.85%
Other	\$292,311	\$288,275	-\$4,036	-1.38%
Total	\$52,026,038	\$51,298,623	-\$727,415	-1.40%

Fiscal Year 2011 – 2012 Summary

General Fund revenue collections for the fiscal year ending June 30, 2012, in the amount of **\$63,926,119** reflecting a net gain of \$3,862,907 from the original estimated (flat budget) General Fund revenue projections of **\$60,063,212** approved and adopted by the Board of Education in June, 2011. The increase in revenue was a result of a slight uptick in net assessed property valuation within the District, increase in state aid revenue due to student growth within the District, and an increase in federal revenue due to Education Jobs funding and an Energy Initiative grant. District General Fund operating expenses increased by **\$3,412,964** over the initial adopted budget of **\$59,240,777**. This included salary increases, classroom supplies and equipment, and additional teaching positions to reduce class sizes.

The internal controls, policies, and procedures relating to the financial operations of the District remained strong. The 2011-12 audit reflected an unqualified opinion issued on the financial statements. The audit disclosed no reportable conditions in the internal controls. The audit noted no reportable instance of noncompliance would be reported in accordance with GAGAS. The audit disclosed no reportable conditions in the internal controls over major federal programs. An unqualified opinion was issued on the compliance of major programs. The audit disclosed no findings which would require to be reported under OMB Circular A-133 section 510(a). (See page 52 of audit under summary of audit results)

Long Term Debt

General Obligation Bonds: As of June 30, 2012, the District had \$73,970,000 in outstanding bonds and notes compared to \$72,170,000 on June 30, 2011. During the 2011-12 fiscal year, the District retired \$20,750,000 in bonds and/or notes and added \$22,550,000 in long-term debt.

<u>Fiscal Year</u>	<u>Bonds Issued</u>	<u>Outstanding</u>	<u>Final Payment</u>
2008 Series	\$21,500,000	\$5,375,000	6-01-13
2009 Series	\$20,250,000	\$10,250,000	6-01-14
2010 Series	\$22,000,000	\$16,500,000	6-01-15
2011 Series	\$19,295,000	\$19,295,000	6-01-16
2012 Series	\$22,550,000	\$22,550,000	6-01-17
Total	\$105,595,000	\$73,970,000	

Interest paid on general long-term debt during the fiscal year ending June 30, 2012, totaled \$2,738,113.

Lease Revenue Bonds: Initially, the Tulsa County Industrial Authority issued \$104,420,000 of Educational Facilities Lease Revenue Bonds for Jenks Public Schools to provide funds required for the constructing, equipping, repairing and remodeling of school buildings, acquiring school furniture, fixtures and equipment, acquiring and improving school sites for the benefit of Jenks Public Schools. On July 1, 2009, the District, as lessor, entered into a ground lease agreement for certain district property, with the Tulsa County Industrial Authority. In addition, the District entered into a sublease, as lessee, with the Tulsa County Industrial Authority. The sublease calls for eleven (11) annual payments starting September 11, 2010. These payments will be made out of General Obligation bond funds, pursuant to the issuance of series bonds in the amount of \$153,430,000, voted on and approved by the patrons of Jenks Public Schools on December 9, 2008. Jenks Public Schools will gain ownership to the capital improvements incrementally as each payment is made.

As of June 30, 2012, approximately \$69,609,558 has been paid out for construction costs. \$36,525,701, remains in the respective trust accounts to pay for future construction costs.

Capital and Fixed Assets

The District is in its tenth year of tracking all assets of significant value. Due to the extensive long range Capital needs projects currently underway, including land acquisitions, additional technology and equipment, an outside appraisal/inventory agency was contracted to perform a new baseline. Land and building appraisals were performed by a separate entity for insurance purposes. The District's fixed asset inventory process requires equipment, furniture and fixtures, new construction and remodeled buildings and land be updated annually with inventory software monitored through the Purchasing and Warehouse Departments. Building structures and improvements are added to the inventory as projects are completed and space is occupied. For the year ending June 30, 2012, capital assets are as follows:

	Beginning	Increases	Ending
Capital Assets	\$242,090,284	\$3,858,493	\$245,948,777
Depreciation	(88,409,344)	73,248,790	(15,160,554)
Total Capital Assets	\$153,680,940	\$77,108,000	\$230,788,940

2012-13 Fiscal Year Forecast:

Given the ongoing economic funding crisis and revenue collection shortfalls at the state level, the tremendous impact to Oklahoma school districts continues to persist. As the District enters into the fourth year of a very tough recession, the Board of Education and Administration have made numerous adjustments through structured budget strategies and reductions to improve its fiscal stability and remain in a sound financial position despite the state of the economy. **The local net assessed valuation increased at a rate of 1.71%; an increase of .29% which continues to indicate stunted growth value due to the sluggish economy. However, the Districts rate of growth surpasses the surrounding school districts of comparable size or larger at a five-year average growth of 3.67%.** Residential housing starts and commercial development continue within the Jenks Public School district, and student growth has increased by approximately 192 students for the 2012-13 fiscal year. The District patrons passage of a \$154,000,000 Lease Revenue bond issue on December 9, 2008, has enabled the school district to take advantage of current building costs, and complete these major projects in five years versus 25 years with the traditional bonding method. This action has also stimulated the local economy by providing hundreds of new jobs to construction workers and sub-contractors. Bond issues in Oklahoma require a super majority vote of 60%. This issue passed by 72% reflecting the tremendous continued patron support within our District and local community partners. The revenue bonds were sold in July, 2009, at a very attractive pricing rate due to the District's superior bond rating. The District is in its third year of the Board of Education's adopted capital needs building plan to accommodate continued student growth and overcrowded classrooms. Construction is complete on the following:

- \$20M Aquatic Sports Center
- \$23M, 90,000 square feet Math and Science Center with Planetarium to serve grades 9-12 students as well as the surrounding community
- East Campus full-day pre-kindergarten wing
- Two Elementary site remodels
- 12,000 square foot Middle School wing addition
- West Elementary Building F 3rd and 4th Grade Center
- High School Music Building
- Football Stadium Expansion

The remaining Lease Revenue Bond funds are earmarked for the following:

- Multi-Purpose Event Center
- Early Learning Center
- Sports Arena and Field House
- Softball renovations and expansions
- Education Service Center

Even though future State and Federal revenue continues to remain uncertain, the patrons of Jenks Public Schools are very supportive of the District's efforts to pass yearly bond issues for

needs such as district-wide technology, remodel and maintenance on existing facilities, district wide equipment, school safety, library books and textbooks for the classrooms.

Upcoming Oklahoma Legislative Action:

The reforms of past years' Oklahoma legislative sessions continue to challenge all Oklahoma school districts. Operational funds approved by the Legislature for Education are tied to "fiscal mandates". Many of the mandates and new reforms implemented by the State Department of Education are either unfunded or underfunded. Jenks Public Schools lobbying efforts for this year's legislative session will specifically focus on legislation to increase funding for the State Aid formula back to the 2008-09 level and fully fund any new reforms that have been previously implemented. Also, in the last legislative session, Oklahoma legislators did not appropriate any increases in operational funding to school districts for the fourth consecutive year. With growing enrollment statewide, this "flat budget" was in fact a budget decrease as operational costs for each district continue to increase. Without sufficient state funding, the burden of these new requirements is placed directly on the District's fund balance. School districts are facing uncertainty in future funding years. The upcoming Oklahoma legislative session will be faced with filling a looming \$300 million budget hole from past sessions' common education cuts. School districts also face a loss of future revenue with the passage of two state questions that will directly impact school ad valorem funding. Federal cuts for fiscal year 2013-14 are estimated to range from 8% - 10%. However, this fiscal year, the State of Oklahoma's monthly revenue is coming in over the initial projections as Oklahoma's economy continues to recover from the latest recession. Since funding is already inadequate in many areas of public education in Oklahoma, Jenks Public Schools will continue to make difficult budget decisions in order to implement new programs, expand or enhance existing programs, hire additional teachers to reduce class sizes, and provide sufficient and much deserved salary increases for certified and support staff, along with other mandated fixed costs.

Again, as we enter the 2012-13 fiscal year, Jenks Public Schools will continue to face budget challenges. The District's Board of Education has placed a very high priority on maintaining the District's fund balance at a fiscally responsible level. Therefore, the General operating budget is continuously monitored to ensure complete alignment of expenses with available revenue. Budget amendments are based upon increased student enrollment, state revenue trends and the District's net assessed valuation growth. The budget will be modified after the October district child count and taken to the Board of Education for consideration, approval, and adoption. Through prudent fiscal management which includes the current district budget reduction process and positive state legislative action, Jenks Public Schools projects a 9% ending fund balance for fiscal year 2012-13. This percentage surpasses the District's goal set at 8%. In closing, JPS has the full support of faculty, patrons, parent booster clubs, PTA/PTAGs, the Jenks Public Schools Foundation and business partnerships that assist the District through fund raisers, the passage of bond issues, and generous donations. The Board of Education and Administration feel extremely confident and take pride in the fact that the District is financially positioned to operate successfully and maintain the high standards set forth by our staff and patrons.

District Cash Management Program

The District's cash management program involves such factors as legal authorizations from the Board of Education, liquidity requirements or cash flow needs, and interest rate trends. The District is required to invest all available monies in interest bearing accounts or investment instruments that are authorized under State Statutes. These accounts must be fully protected through FDIC insurance and/or pledged collateral from the participating institution. The District uses a "pooled resources" concept, pooling together all the separate funds, for purchasing investments to take advantage of the higher interest rates available when investing larger amounts of money.

Jenks Public Schools is well known for its cash management practices and process. By Oklahoma statute, school districts can only invest in instruments backed by the full faith and credit of the federal government. While this is very limiting, it is our goal to leave no funds "lying around". Through the District's Treasury services, all revenue collections are deposited daily and every dollar is deposited into sweep accounts for instant liquidity for daily operations or, fixed term/fixed-rate investments. Money gained from prudent investment practices within our District is a major revenue stream. However, current market conditions have taken its toll on interesting earnings. In fiscal year 2008-09, the Jenks District receipted \$2,176,000 in interest earnings. The 2011-12 fiscal year total return on investments was \$322,800. Based upon 252 working days, our District earned \$1,281 per day or \$160 per working hour. While these current numbers are not impressive, it is just one more indicator to describe the impact of the current economic condition. JPS will continue to utilize investment strategies and best practices to maximize the return on our investments even in today's market. Jenks Public Schools can truthfully say that not only are we a forerunner in the educational field, but also first in cash management practices and procedures.

Contacting the School District's Financial Management

This financial report is designed to provide patrons, taxpayers and creditors with a general overview of Jenks School District's finances, and to show the District's accountability for the public funding it receives. If you have further questions or comments about this report or need additional financial information, please contact Finance and Fiscal Services at Jenks Public Schools, 205 East "B" Street, Jenks, Oklahoma 74037.



Cody Way
Chief Financial Officer
Jenks Public Schools

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 STATEMENT OF NET ASSETS
 JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Prior Year (Memorandum Only)</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 20,599,540	18,416,371
Investments	40,495,053	41,272,911
Total current assets	<u>61,094,593</u>	<u>59,689,282</u>
Non-current assets:		
Capital assets, net of accumulated depreciation	<u>257,243,585</u>	<u>230,788,223</u>
Total Assets	<u>318,338,177</u>	<u>290,477,505</u>
 <u>LIABILITIES</u>		
Current liabilities:		
Warrants payable	1,120,120	1,058,612
Encumbrances	5,664,617	7,332,047
Total current liabilities	<u>6,784,737</u>	<u>8,390,659</u>
Non-current liabilities:		
General obligation bonds payable	<u>76,955,000</u>	<u>73,970,000</u>
Total Liabilities	<u>83,739,737</u>	<u>82,360,659</u>
 <u>NET ASSETS</u>		
Invested in capital assets, net of related debt	180,288,585	156,818,223
Restricted for debt service	10,995,135	10,555,213
Unrestricted	<u>43,314,720</u>	<u>40,743,411</u>
Total Net Assets	<u>\$ 234,598,440</u>	<u>208,116,846</u>

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>TOTAL</u>
Instruction	\$ 29,007,198	586,488	2,849,776	(25,570,934)
Support services	24,176,733	2,378,213	1,080,303	(20,718,217)
Non-instruction services	4,683,232	2,090,360	1,949,307	(643,565)
Other outlays	254,959		285,078	30,119
Interest paid on long-term debt	2,956,550			(2,956,550)
Depreciation - unallocated	10,217,073			(10,217,073)
Total governmental activities	<u>71,295,745</u>	<u>5,055,061</u>	<u>6,164,464</u>	<u>(60,076,220)</u>

General revenues-

Taxes-	
Property taxes, levied for general purposes	28,284,931
Property taxes, levied for debt services	21,554,678
Investment earnings	238,317
Other local revenue	2,639,576
County revenue	2,665,840
State aid - formula grants	25,582,470
Dedicated state revenue	4,935,700
Special items-	
Adjustments to prior year encumbrances	<u>656,302</u>
Total general revenues and special items	<u>86,557,814</u>
Change in net assets	26,481,594
Net assets, beginning of period	<u>208,116,846</u>
Net assets, end of period	<u>\$ 234,598,440</u>

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF ASSETS, LIABILITIES AND CASH FUND BALANCES -
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Building Fund	Child Nutrition Fund	Sinking Fund	Bond Funds	Other Governmental Funds	TOTAL
<u>ASSETS</u>							
Cash	\$ 997,895	678,169	1,357,605	1,876,279	15,513,496	176,096	20,599,540
Investments	13,510,053			11,000,000	15,985,000	3,458,362	43,953,415
Total Assets	\$ 14,507,948	678,169	1,357,605	12,876,279	31,498,496	3,634,458	64,552,955
 <u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Warrants payable	\$ 720,317	6,791	18,910		374,102		1,120,120
Encumbrances	5,546,287	25,892	92,438				5,664,617
Funds held for school operations						3,458,362	3,458,362
Total Liabilities	6,266,604	32,683	111,348	0	374,102	3,458,362	10,243,099
Fund Balances:							
Reserved for- Retirement of long-term debt				10,995,135			10,995,135
Unreserved- Undesignated, reported in- General fund	8,241,345						8,241,345
Other funds		645,485	1,246,257	1,881,144	31,124,393	176,096	35,073,375
Total Fund Balances	8,241,345	645,485	1,246,257	12,876,279	31,124,393	176,096	54,309,856
Total Liabilities and Fund Balances	\$ 14,507,948	678,169	1,357,605	12,876,279	31,498,496	3,634,458	
 Amounts reported for governmental activities in the statement of assets, liabilities, and net assets are different because:							
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. The cost of the assets is \$282,445,312 and the accumulated depreciation is (\$25,201,727)							257,243,585
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of: General obligation bonds payable							(76,955,000)
Net Assets of Governmental Activities							\$ 234,598,440

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Building Fund	Child Nutrition Fund	Sinking Fund	Bond Funds	Other Governmental Funds	TOTAL
Revenues Collected:							
Taxes	\$ 24,752,869	3,532,062		21,554,378			49,839,309
Local sources	3,694,042	17,404	2,087,496	300		624,113	6,423,354
Intermediate sources	2,665,578	37		225			2,665,840
State sources	30,518,170		262,204				30,780,374
Federal sources	4,140,341		1,753,315			8,604	5,902,260
Interest earnings	220,254	741	1,397	15,787		137	238,317
Non revenue receipts	55,486	250,150	2,867	963,080			1,271,582
Total revenues collected	<u>66,046,740</u>	<u>3,800,394</u>	<u>4,107,280</u>	<u>22,533,769</u>	<u>0</u>	<u>632,855</u>	<u>97,121,037</u>
Expenditures:							
Instruction	39,849,564	4,310			1,051,036		40,904,910
Support services	23,707,243	3,851,230			4,094,286	83,746	31,736,506
Operation of non-instructional services	2,478,991		3,889,853		6,251		6,375,095
Facilities acquisition and construction services		1,200			14,558,807		14,560,007
Other outlays:							
Debt service requirements				23,651,550			23,651,550
Reimbursement			253,883				253,883
Private nonprofit schools	131,588						131,588
Correcting entry	24,038						24,038
Other uses	23,043					785,487	808,530
Total expenditures	<u>66,214,467</u>	<u>3,856,740</u>	<u>4,143,737</u>	<u>23,651,550</u>	<u>19,710,380</u>	<u>869,234</u>	<u>118,446,107</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(167,727)	(56,346)	(36,457)	(1,117,781)	(19,710,380)	(236,379)	(21,325,070)
Adjustments to prior year encumbrances	<u>150,609</u>	<u>73,242</u>	<u>9,746</u>	<u>0</u>	<u>422,705</u>	<u>0</u>	<u>656,302</u>
Excess of revenues collected over (under) expenditures	(17,119)	16,896	(26,711)	(1,117,781)	(19,287,675)	(236,379)	(20,668,768)
Other financing sources (uses):							
Transfers in (out)	(124,200)					124,200	0
Proceeds from sale of bonds					23,680,000		23,680,000
Total other financing sources (uses)	<u>(124,200)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,680,000</u>	<u>124,200</u>	<u>23,680,000</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing uses	(141,319)	16,896	(26,711)	(1,117,781)	4,392,325	(112,179)	3,011,232
Cash fund balances, beginning of year	8,382,663	628,589	1,272,968	13,994,061	26,732,068	288,275	51,298,623
Cash fund balances, end of year	<u>\$ 8,241,345</u>	<u>645,485</u>	<u>1,246,257</u>	<u>12,876,280</u>	<u>31,124,393</u>	<u>176,096</u>	<u>54,309,855</u>

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2013

Net change in fund balances - governmental funds \$ 3,011,232

Amounts reported for governmental activities in the statement of revenues, expenditures, and changes in net assets are different because:

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 and allocated over their estimated useful lives as annual depreciation expenses in the statement of revenues, expenditures, and changes in net assets. This is the amount by which depreciation exceeds capital outlays in the period.

Capital outlay expenditures	36,672,435	
Depreciation expense	<u>(10,217,073)</u>	26,455,362

Some of the capital assets acquired this year were financed with general obligation bonds. The amount financed by the bonds is reported in the governmental funds as a source of financing. On the other hand, the proceeds from the bonds are not revenues in the statement of revenues, expenditures, and changes in net assets but rather constitute long-term liabilities in the statement of assets, liabilities, and net assets.

(23,680,000)

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of assets, liabilities, and net assets and does not affect the statement of revenues, expenditures, and changes in net assets.

20,695,000

Changes in net assets of governmental activities \$ 26,481,594

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF FIDUCIARY NET ASSETS -
REGULATORY BASIS
JUNE 30, 2013

	AGENCY FUNDS
<u>ASSETS</u>	SCHOOL ACTIVITY FUNDS
Cash	\$ 3,458,362
Total Assets	\$ 3,458,362
<u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Funds held for school organizations:	
Student activity funds	\$ 2,275,518
Community education programs	1,182,844
Total liabilities	\$ 3,458,362

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Jenks Public Schools Independent District No. I-5 (the “District”) have been prepared in conformity with another 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 is made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. 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.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Basic Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net assets reports the District's financial and capital resources. Liabilities are segregated between current (due within one year) and long-term.

The statement of activities demonstrates the degree to which the direct expenses of a given functions or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) tuition or fees paid by students or citizens of the District and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items, including state aid, that are not properly included among program revenues are reported as general revenues.

Funds are classified into three categories: Governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

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 earmarked 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.

Special Revenue Funds – Special revenue funds include the District's building and co-op funds. The District did not maintain the co-op fund during the 2012-13 fiscal year. For statutory reporting purposes, the child nutrition fund is classified as a special revenue fund in the other supplementary information, but is otherwise defined as a proprietary fund type.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Basic Financial Statements - cont’d

Building Fund – The building fund consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.

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 (including judgments) 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 Projects Fund – The capital projects fund is 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.

Proprietary Fund Types

Proprietary funds are used to account for “business-type” activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties or to other departments or agencies primarily within the District. The District maintained the child nutrition fund as a proprietary fund in the 2012-13 fiscal year, but classified the child nutrition fund as a special revenue fund in the other supplementary information for statutory reporting purposes.

Child Nutrition Fund - The child nutrition fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Basic Financial Statements – cont’d

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. The terms “non-expendable” 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 operation.

Expendable Trust Funds – Expendable trust funds include the gifts and endowments fund, medical insurance fund, arbitrage fund, workers compensation fund and the sick leave liability fund.

PTAG Gifts and Endowments Fund and M. Green Endowment Fund – These funds receive their assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. This fund is used to promote the general welfare of the District.

Medical Insurance Fund – The medical insurance fund accounts for revenues and expenditures for all types of self-funded medical insurance coverage.

Arbitrage Fund – The arbitrage fund is used to accumulate the earnings of certain bond issues to which the Internal Revenue Service arbitrage rules apply. These funds will either be retained or transferred to the Internal Revenue Service, depending on future financial events and computations.

Workers Compensation Fund – The workers compensation fund accounts for revenues and expenditures for workers compensation claims.

Insurance Recovery Fund – The insurance recovery fund is established to account for receipts and expenditures for all types of insurance coverage and major reimbursements and reserves for property.

Agency Fund – The agency fund is the school activities fund and community education, which is used to account for monies collected principally through the fundraising efforts of students and District-sponsored groups. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Basic Financial Statements – cont’d

Memorandum Only - Total Column

The total column on the 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 or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. Basis of Accounting

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

The District prepares its financial statements in a presentation format that is, in substance, the format established by GASB Statement No. 34, *Basic Financial Statements – Management’s Discussion and Analysis for State and Local Governments*. All presentations are shown by fund.

As to the basis of accounting, the basic financial statements are essentially prepared on the 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 are recorded as expenditures when approved.
- Warrants payable are recorded as liabilities when issued.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not assets.
- Capital assets reported in the governmental-wide statements are recorded when acquired and depreciated over their useful lives.
- Long-term debt reported in the government-wide statements are recorded when incurred.
- Compensated absences are recorded as an expenditure and liability when the obligation is paid.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

C. Basis of Accounting – cont'd

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which require 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.

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 all funds (with the exception of the trust and agency funds) that includes revenues and expenditures.

E. Assets, Liabilities and Fund Equity – cont'd

The District prepares its budget in accordance with the Oklahoma School District Budget Act. The District's final amended budget for the 2012-13 fiscal year was \$121,703.533.

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. Unencumbered appropriations lapse at the end of each fiscal year.

Cash – Cash consists of cash on hand, demand deposit accounts, and interest bearing checking accounts.

Investments – The District is allowed to invest in direct obligations of the United States government and agencies; certificates of deposit of savings and loan associations, banks and trust companies; savings accounts or savings certificates of savings and loan associations, and trust companies; and warrants, bonds or judgments

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

E. Assets, Liabilities and Fund Equity – cont’d

of the District. All investments are recorded at cost, which approximates market value.

Inventories – The value of consumable inventories at June 30, 2013, is not material to the combined financial statements and therefore not included in them.

Capital Assets – The capital assets acquired prior to June 30, 2001 are valued at appraisal using standard or normal costing. Fixed assets acquired after June 30, 2001 are valued at historical (actual) cost.

Depreciation of all exhaustible capital assets is charged as an expense against their operations. Depreciation has been provided using the straight-line method over the following estimated useful lives:

	Useful Life	Capitalization Threshold
Buildings and structures	10-50	\$ 2,500
Improvements	10-50	2,500
Equipment	5-40	300
Furniture and fixtures	5-10	2,500

The schedule below shows total fixed assets, and includes accumulated depreciation as a memorandum item for information.

The capital assets for the year ended June 30, 2013 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets	\$ 245,948,777	36,672,435	(175,900)	282,445,312
Less:				
Accumulated Depr.	(15,160,554)	(10,217,073)	175,900	(25,201,727)
Total Capital Assets	\$ 230,788,223	26,455,362	0	257,243,585

Warrants Payable – Warrants are issued to meet the obligations for goods and services provided to the District. The District recognizes a liability for the amount of outstanding warrants that have yet to be redeemed by the District’s treasurer.

Encumbrances – Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

received by the District for which a warrant has not been issued. An expenditure is recorded and a liability is recognized for outstanding encumbrances at year end in accordance with the regulatory basis of accounting.

Un-matured Obligations – The unmatured obligations represent the total of all annual accruals for both principal and interest, based on the lengths of the bonds and/or judgments, less all principal and interest payments through the balance sheet date in accordance with the regulatory basis of accounting.

Funds Held for School Organizations – Funds held for school organizations represent the funds received or collected from students or other cocurricular and extracurricular activities conducted in the District, control over which is exercised by the board of education. These funds are credited to the account maintained for the benefit of each particular activity within the school activity fund.

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.

Cash Fund Balance – Cash fund balance represents the funds not encumbered by purchase orders, legal contracts, outstanding warrants and un-matured obligations.

F. Revenue and Expenditures

Local Revenues – Revenue from local sources is the money generated from within the boundaries of the District and available to the District for its use. 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. These property taxes are distributed to the District's general, building and sinking funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls 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 in a timely manner, 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

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

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.

Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

Intermediate Revenues - Revenue from intermediate sources is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the District and the state, and distributed to Districts in amounts that differ in proportion to those which were collected within such systems.

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 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 from or additions to the revenue of the year when the adjustment is made.

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

The aforementioned state revenues are apportioned to the District's general fund.

Federal Revenues – Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a pass-through from another government, such as the state.

An entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

The majority of the federal revenues received by the District are apportioned to the general fund. The District maintains a separate child nutrition fund and the federal revenues received for the child nutrition programs are apportioned there.

Interest Earnings – Represent compensation for the use of financial sources over a period of time.

Non-Revenue Receipts – Non-revenue receipts represent receipts deposited into a fund that are not new revenues to the District, but the return of assets.

Instruction Expenditures – Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving cocurricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process. The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

Support Services Expenditures – Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

Operation of Non-Instructional Services Expenditures – Activities concerned with providing non-instructional services to students, staff or the community.

Facilities Acquisition and Construction Services Expenditures – Consist of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.

Other Outlays Expenditures – A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest).

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

Other Uses Expenditures – This includes scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditures for self-funded employee benefit programs administered either by the District or a third party administrator.

Repayment Expenditures – Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayment, non-qualified expenditures and other refunds to be repaid from District funds.

Inter-fund Transactions – Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

2. CASH AND INVESTMENTS

The District's investment policies are governed by state statute. Permissible investments include direct obligations of the United States Government and agencies; certificates of deposit of savings and loan associations, banks and trust companies; savings accounts or savings certificates of savings and loan associations, banks, and trust companies; and warrants, bonds or judgments of the District.

Cash – The District's bank balance of deposits, cash pools (sweep accounts) and high balance savings at June 30, 2013, was \$20,599,540. 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 District's policy requires collateral equal to 110% of the deposit amount for all deposits not covered by F.D.I.C. insurance. The bank balances were completely covered by federal depository insurance and by collateral held by the District's third party agent in the District's name.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

2. CASH AND INVESTMENTS – cont'd

Investments – At June 30, 2013, the District's investments consisted certificates of deposits with an approximate fair market value of \$40,495,053.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the required liquidity for those investments, these funds have no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses form increasing interest rates.

Credit risk – Investments – Credit risk is the risk that the issuer or other counterparty to and investment will not fulfill its obligations. Investments held by the District in investment pools (sweep accounts) are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. These investments are held with Bancfirst, Citizens Security, Triad Bank and IBC Bank, and are rated AAA by Standard and Poor's. The District does not have a formal policy limiting its exposure arising from concentration of investments.

3. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2013.

4. 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 of the date of issue.

General long-term debt of the District consists of building bonds payable and transportation bonds payable. Debt service requirements for bonds and judgments are payable solely from the fund balance and the future revenues of the debt service fund.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

4. GENERAL LONG-TERM DEBT – cont'd

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2013:

	Bonds Payable
Balance, July 1, 2012	\$ 73,970,000
Additions	23,680,000
Retirements	(20,695,000)
Balance, June 30, 2013	\$ 76,955,000

A brief description of the outstanding long-term debt at June 30, 2013, is set forth below:

	<u>Amount Outstanding</u>
<u>General Obligation Bonds:</u>	
Combined Purpose Bonds, Series 2009, original issue \$20,250,000, interest rates of 1.95% to 2.25%, due in annual installments of \$5,000,000, final payment due 6-01-14	\$ 5,250,000
Combined Purpose Bonds, Series 2010, original issue \$22,000,000, interest rates of 4.00% to 5.00%, due in annual installments of \$5,500,000, final payment of \$5,500,000 due 6-01-15	11,000,000
Combined Purpose Bonds, Series 2011, original issue \$19,295,000, interest rates of 4.00% to 5.00%, due in annual installments of \$4,820,000, final payment of \$4,825,000 due 6-01-16	14,475,000
Combined Purpose Bonds, Series 2012, original issue \$22,550,000, interest rate of 4.00%, due in annual installments of \$5,630,000, final payment of \$5,640,000 due 6-01-17	22,550,000
Combined Purpose Bonds, Series 2013, original issue \$23,680,000, interest rate of 2.00%, due in annual installments of \$5,920,000, final payment of \$5,920,000 due 6-01-18	23,680,000
Total	\$ 76,955,000

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

4. GENERAL LONG-TERM DEBT – cont'd

The annual debt service requirements for retirement of bond principal, capital lease principal and payment of interest are as follows:

Year Ending June 30	Principal	Interest	Total
2014	21,205,000	2,719,625	23,924,625
2015	21,885,000	1,907,900	23,792,900
2016	16,385,000	1,047,650	17,432,650
2017	11,560,000	462,400	12,022,400
2018	5,920,000	118,400	6,038,400
Total	<u>\$ 76,955,000</u>	<u>6,255,975</u>	<u>83,210,975</u>

Interest paid on general long-term debt during the 2012-13 fiscal year totaled \$2,956,550.

5. EMPLOYEE RETIREMENT SYSTEM

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, OK 73152, or by calling 405-521-2387.

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. 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 future years as a result

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

5. EMPLOYEE RETIREMENT SYSTEM – cont'd

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 System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. For the 2012-13 fiscal year, the District contributed 9.5% and the State of Oklahoma contributed the remaining amount during this year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, the District is required to match the retirement paid on salaries that are funded with federal funds at 5.12%.

Annual Pension Cost

The District's total contributions for 2012, 2011 and 2010 were \$6,039,436, \$5,798,752 and \$5,815,139, respectively.

6. LEASE REVENUE BONDS

On July 1, 2009, the Tulsa County Industrial Authority issued \$104,420,000 of Educational Facilities Lease Revenue Bonds (Jenks Public School Project) Series 2009, to provide funds required for the constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites for the benefit of the Jenks School District. Also on July 1, 2009, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Tulsa County Industrial Authority. In addition, the District entered into a sublease, as lessee, with the Tulsa County Industrial Authority. The sublease calls for eleven (11) annual payments starting September 1, 2010. These payments will be made out of bond funds, pursuant to the issuance of series bonds in the amount of \$153,430,000, on December 9, 2008. Jenks Public Schools will gain ownership to the capital improvements incrementally as each payment is made.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

6. LEASE REVENUE BONDS - cont'd

As of June 30, 2013, approximately \$94,997,289 has been paid out for construction costs. \$11,137,970 remains in the respective trust accounts to pay for future construction costs.

The future lease payments will be as follows:

Fiscal Year	Payment
2013-14	\$ 12,180,000
2014-15	12,180,000
2015-13	12,180,000
2016-17	12,180,000
2017-18	12,180,000
2018-19	12,180,000
2019-20	12,180,000
2020-21	12,180,000
Total Obligation	\$ 97,440,000
Less amounts representing interest	(16,269,026)
Lease Purchase Payable	<u>\$ 81,170,974</u>

7. CONTINGENCIES

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; 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 risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

7. CONTINGENCIES – cont'd

Federal Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustments 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 to be immaterial.

Litigation

The District's attorneys have informed us of certain pending or threatened litigation, claims or assessments or unasserted claims or assessments against the District, the outcome of which is not believed to be of material consequence to the financial condition of the District.

Subsequent Events

Management has evaluated subsequent events through November 19, 2013, which is the date the financial statements were available to be issued, and have determined that no additional information needs to be added to the financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 27,370,986	27,566,080	28,446,912	27,420,908
Intermediate sources	2,385,000	2,450,605	2,665,578	2,367,563
State sources	28,383,290	30,100,949	30,518,170	28,635,981
Federal sources	3,630,237	3,996,184	4,140,341	5,195,311
Interest earnings	250,000	250,000	220,254	322,800
Non-revenue receipts	7,500	40,000	55,486	38,149
Total revenues collected	<u>62,027,013</u>	<u>64,403,818</u>	<u>66,046,740</u>	<u>63,980,711</u>
Expenditures:				
Instruction	39,899,372	40,426,176	39,849,564	37,499,373
Support services	23,131,518	23,432,025	23,707,243	22,659,086
Operation of non-instructional services	2,356,912	2,384,481	2,478,991	2,356,912
Other outlays:				
Private nonprofit schools	137,172	137,172	131,588	137,172
Correcting entry			24,038	
Other Uses	5,218	5,218	22,480	
Bank charges	600	600	562	1,198
Total expenditures	<u>65,530,792</u>	<u>66,385,672</u>	<u>66,214,467</u>	<u>62,653,741</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(3,503,779)	(1,981,854)	(167,726)	1,326,970
Other financing sources (uses):				
Operating transfers in (out)	250,000	200,000	(124,200)	(57,412)
Adjustments to prior year encumbrances	45,000	149,974	150,609	2,820
Total other financing sources (uses)	<u>295,000</u>	<u>349,974</u>	<u>26,409</u>	<u>(54,592)</u>
Excess of revenues collected over (under) expenditures	(3,208,779)	(1,631,880)	(141,318)	1,272,378
Cash fund balance, beginning of year	<u>8,382,663</u>	<u>8,382,663</u>	<u>8,382,663</u>	<u>7,110,285</u>
Cash fund balance, end of year	<u>\$ 5,173,884</u>	<u>6,750,783</u>	<u>8,241,345</u>	<u>8,382,663</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 BUILDING FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 3,544,566	3,561,861	3,549,466	3,571,147
Intermediate sources	256	256	37	210
Interest earnings	135	689	742	153
Non-revenue receipts	500	150,150	250,150	227,647
Total revenues collected	<u>3,545,457</u>	<u>3,712,956</u>	<u>3,800,394</u>	<u>3,799,157</u>
Expenditures:				
Instruction	4,000	5,340	4,310	18,987
Support services	4,085,254	4,129,373	3,851,230	4,351,160
Facilities acquisition and construction services			1,200	77,184
Total expenditures	<u>4,089,254</u>	<u>4,134,713</u>	<u>3,856,740</u>	<u>4,447,331</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(543,797)	(421,757)	(56,346)	(648,174)
Other financing sources (uses):				
Adjustments to prior year encumbrances	<u>5,425</u>	<u>73,242</u>	<u>73,242</u>	<u>1,225</u>
Excess of revenues collected over (under) expenditures	(538,372)	(348,515)	16,896	(646,949)
Cash fund balance, beginning of year	<u>628,588</u>	<u>628,588</u>	<u>628,588</u>	<u>1,275,538</u>
Cash fund balance, end of year	<u>\$ 90,216</u>	<u>280,074</u>	<u>645,485</u>	<u>628,589</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 CHILD NUTRITION FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 2,069,828	2,467,421	2,087,496	2,207,946
State sources	189,200	205,101	262,204	159,721
Federal sources	1,195,868	1,579,400	1,753,315	1,616,119
Interest earnings		1,218	1,397	2,992
Non-revenue receipts	5,000	567	2,867	3,206
Total revenues collected	<u>3,459,896</u>	<u>4,253,707</u>	<u>4,107,280</u>	<u>3,989,984</u>
Expenditures:				
Operation of non-instructional services	3,623,383	3,993,610	3,889,853	4,027,224
Other outlays:				
Reimbursement	120,000	223,392	253,883	203,000
Total expenditures	<u>3,743,383</u>	<u>4,217,002</u>	<u>4,143,737</u>	<u>4,230,224</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(283,487)	36,705	(36,457)	(240,240)
Other financing sources (uses):				
Operating transfers in (out)			0	2,486
Adjustments to prior year encumbrances	10,000	9,654	9,746	4,535
Total other financing sources (uses)	<u>10,000</u>	<u>9,654</u>	<u>9,746</u>	<u>7,021</u>
Excess of revenues collected over (under) expenditures	(273,487)	46,359	(26,711)	(233,219)
Cash fund balance, beginning of year	<u>1,272,968</u>	<u>1,272,968</u>	<u>1,272,968</u>	<u>1,506,187</u>
Cash fund balance, end of year	<u>\$ 999,481</u>	<u>1,319,327</u>	<u>1,246,257</u>	<u>1,272,968</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 SINKING FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 20,233,318	20,233,318	21,554,678	21,346,975
Intermediate sources			225	1,226
Interest earnings			15,787	32,572
Non-revenue receipts	875,000	875,000	963,080	2,383,975
Total revenues collected	<u>21,108,318</u>	<u>21,108,318</u>	<u>22,533,769</u>	<u>23,764,747</u>
Requirements:				
Judgments			0	28,930
Bonds	20,695,000	20,695,000	20,695,000	20,750,000
Coupons	2,956,550	2,956,550	2,956,550	2,738,113
Total expenditures	<u>23,651,550</u>	<u>23,651,550</u>	<u>23,651,550</u>	<u>23,517,043</u>
Excess of revenue collected over (under) expenditures	(2,543,232)	(2,543,232)	(1,117,781)	247,705
Cash fund balance, beginning of year	<u>13,994,060</u>	<u>13,994,060</u>	<u>13,994,060</u>	<u>13,746,356</u>
Cash fund balance, end of year	<u>\$ 11,450,828</u>	<u>11,450,828</u>	<u>12,876,279</u>	<u>13,994,060</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 BOND FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues collected:				
Local collections	1,350	1,350	0	12,806
Non revenue receipts	2,332	2,332	0	945
Total revenue	<u>3,682</u>	<u>3,682</u>	<u>0</u>	<u>13,750</u>
Expenditures:				
Instruction	2,158,974	2,158,974	1,051,036	1,872,047
Support services	4,184,534	4,184,534	4,094,286	4,584,672
Operation non-instructional services	161,458	161,458	6,251	14,034
Facilities acquisition & construction services	16,809,630	16,809,630	14,558,807	17,457,190
Total expenditures	<u>23,314,596</u>	<u>23,314,596</u>	<u>19,710,380</u>	<u>23,927,943</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(23,310,914)	(23,310,914)	(19,710,380)	(23,914,193)
Adjustments to prior year encumbrances	<u>0</u>	<u>0</u>	<u>422,705</u>	<u>900</u>
Excess of revenues collected over (under) expenditures before other financing sources	(23,310,914)	(23,310,914)	(19,287,675)	(23,913,293)
Other financing sources (uses)				
Bond sale proceeds	<u>21,243,000</u>	<u>21,243,000</u>	<u>23,680,000</u>	<u>22,550,000</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing sources (uses)	(2,067,914)	(2,067,914)	4,392,325	(1,363,293)
Cash fund balance, beginning of year	<u>26,732,068</u>	<u>26,732,068</u>	<u>26,732,068</u>	<u>28,095,361</u>
Cash fund balance, end of year	<u>\$ 24,664,154</u>	<u>24,664,154</u>	<u>31,124,393</u>	<u>26,732,068</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY -
 ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
 JUNE 30, 2013

	<u>2009 BUILDING BOND FUND</u>	<u>2010 GEN. OBLIG. BOND FUND</u>	<u>2011 GEN. OBLIG. BOND FUND</u>	<u>2012 GEN. OBLIG. BOND FUND</u>	<u>2013 GEN. OBLIG. BOND FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 3,345	532,629	1,902,245	5,381,777	23,678,500	31,498,496
 <u>LIABILITIES AND FUND EQUITY</u>						
Liabilities:						
Warrants payable	\$ 3,345	16,151	159,911	181,459	13,236	374,102
Fund Equity:						
Cash fund balances	0	516,478	1,742,334	5,200,318	23,665,264	31,124,393
Total Liabilities and Fund Equity	\$ 3,345	532,629	1,902,245	5,381,777	23,678,500	31,498,496

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2013

	2009 BUILDING BOND FUND	2010 GEN. OBLIG. BOND FUND	2011 GEN. OBLIG. BOND FUND	2012 GEN. OBLIG. BOND FUND	2013 GEN. OBLIG. BOND FUND	TOTAL
Revenues Collected:						
Total Revenue	\$ 0	0	0	0	0	0
Expenditures:						
Instruction	187	100,597	559,963	390,290		1,051,036
Support services	6,540	155,524	956,453	2,961,033	14,736	4,094,286
Operation non-instructional services	3,301			2,950		6,251
Facilities acquisition and const. services	789,459	176,982	263,683	13,328,682		14,558,807
Total expenditures	<u>799,487</u>	<u>433,103</u>	<u>1,780,099</u>	<u>16,682,955</u>	<u>14,736</u>	<u>19,710,380</u>
Excess of revenues collected over (under) expenditures	(799,487)	(433,103)	(1,780,099)	(16,682,955)	(14,736)	(19,710,380)
Other financing sources (uses):						
Adjustments to prior year encumbrances	21,001	246,255	90,999	64,449		422,705
Bond sale proceeds					23,680,000	23,680,000
Total other financing sources (uses)	<u>21,001</u>	<u>246,255</u>	<u>90,999</u>	<u>64,449</u>	<u>23,680,000</u>	<u>24,102,705</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing uses	(778,486)	(186,848)	(1,689,100)	(16,618,505)	23,665,264	4,392,325
Cash fund balances, beginning of year	<u>778,486</u>	<u>703,325</u>	<u>3,431,434</u>	<u>21,818,823</u>	<u>0</u>	<u>26,732,068</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>516,478</u>	<u>1,742,334</u>	<u>5,200,318</u>	<u>23,665,264</u>	<u>31,124,393</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY -
 ALL FIDUCIARY FUND TYPES - REGULATORY BASIS
 JUNE 30, 2013

	EXPENDABLE TRUST FUNDS		AGENCY FUNDS	
<u>ASSETS</u>	MEDICAL INSURANCE FUND	ARBITRAGE FUND	SCHOOL ACTIVITY FUNDS	TOTAL
Cash	\$ 16,598	159,498	3,458,362	3,634,458
Total Assets	\$ 16,598	159,498	3,458,362	3,634,458
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Funds held for school organizations:				
Student activity funds	\$		2,275,518	2,275,518
Community education programs			1,182,844	1,182,844
Total liabilities	0	0	3,458,362	3,458,362
Fund Equity:				
Cash fund balances	16,598	159,498	0	176,096
Total Liabilities and Fund Equity	\$ 16,598	159,498	3,458,362	3,634,458

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY -
 ALL FIDUCIARY FUND TYPES - REGULATORY BASIS
 JUNE 30, 2004

	<u>EXPENDABLE TRUST FUNDS</u>				<u>AGENCY FUNDS</u>	<u>TOTAL</u>
	<u>GIFTS AND ENDOWMENTS FUND</u>	<u>MEDICAL INSURANCE FUND</u>	<u>ARBITRAGE FUND</u>	<u>WORKERS COMP FUND</u>	<u>SCHOOL ACTIVITY FUNDS</u>	
<u>ASSETS</u>						
Cash	\$ 33,178	144,901	143,380	368,857		690,316
Investments				518,331	2,585,477	3,103,808
Total Assets	<u>\$ 33,178</u>	<u>144,901</u>	<u>143,380</u>	<u>887,188</u>	<u>2,585,477</u>	<u>3,794,124</u>
<u>LIABILITIES AND FUND EQUITY</u>						
Liabilities						
Funds held for school organizations					2,585,477	2,585,477
Fund Equity						
Cash fund balances	33,178	144,901	143,380	887,188		1,208,647
Total Liabilities and Fund Equity	<u>\$ 33,178</u>	<u>144,901</u>	<u>143,380</u>	<u>887,188</u>	<u>2,585,477</u>	<u>3,794,124</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES IN CASH FUND BALANCES
 - ALL EXPENDABLE TRUST FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2013

	GIFTS AND ENDOWMENTS FUND	MEDICAL INSURANCE FUND	ARBITRAGE FUND	WORKERS COMP FUND	INSURANCE RECOVERY FUND	TOTAL
Revenues Collected:						
Local sources	\$	77,360		546,752		624,113
Federal sources					8,604	8,604
Interest earnings			137			137
Total revenues collected	<u>0</u>	<u>77,360</u>	<u>137</u>	<u>546,752</u>	<u>8,604</u>	<u>632,855</u>
Expenditures:						
Support services		83,746				83,746
Other uses		105,931		679,557		785,487
Total expenditures	<u>0</u>	<u>189,677</u>	<u>0</u>	<u>679,557</u>	<u>0</u>	<u>869,234</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	0	(112,316)	137	(132,805)	8,604	(236,379)
Other financing sources (uses):						
Operating transfers in (out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>132,805</u>	<u>(8,604)</u>	<u>124,200</u>
Excess of revenues collected over (under) expenditures	0	(112,316)	137	0	0	(112,179)
Cash fund balances, beginning of year	<u>0</u>	<u>128,914</u>	<u>159,361</u>	<u>0</u>	<u>0</u>	<u>288,275</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>16,598</u>	<u>159,498</u>	<u>0</u>	<u>0</u>	<u>176,096</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2013

<u>ASSETS</u>	<u>BALANCE</u> 7-01-12	<u>ADDITIONS</u>	<u>NET</u> <u>TRANSFERS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> 6-30-13
Investments	\$ 2,931,539	8,315,289	0	7,786,640	3,460,188
 <u>LIABILITIES</u>					
Funds held for school organizations:					
Student Activity Funds:					
Administration:					
General administrative	\$ 304,923	40,542	(14,436)	48,022	283,008
Coca-Cola exclusivity	233,459	62,775	403	0	296,637
Vending commission	69,341	0	(39,868)	0	29,473
Cafeteria vending	214	0	1	215	0
Administrative vending	112	0	0	0	112
Maintenance vending	1,914	0	456	884	1,486
Transportation vending	688	0	1,267	433	1,522
AVID	182	0	(182)	0	0
Student assistance	2,581	1,902	4	500	3,987
Pom & Cheer Mem. Scholarship	7,500	0	13	7,500	13
JPS health & fitness	23,608	10,425	36	1,642	32,427
ESY	85	0	0	0	85
Employee recognition	12,347	1,202	10,024	23,550	23
Administrative services	24	0	0	0	24
Staff development	2,782	591	369	648	3,093
JPS Foundation	3,312	13,600	(13,589)	1,992	1,331
RCK account	1,929	3,703	6	4,192	1,446
International student tuition	17,280	0	33	0	17,313
Jenks/Union elem. writers	6,673	0	13	603	6,082
Print shop	7,847	20,671	(6,992)	12,199	9,327
H.S. parking	26,411	45,632	(21,907)	7,368	42,768
Orchestra maintenance	7,264	7,251	1,271	7,880	7,906
S.S.A.F.E	3,780	8,510	11	7,479	4,821
Administrative hospitality	539	690	6	1,200	35
General properties	0	36,042	217,733	253,776	0
Activiy interest account	40,370	4,991	(5,001)	3,560	36,799
Sub-total	<u>\$ 775,163</u>	<u>258,529</u>	<u>129,670</u>	<u>383,644</u>	<u>779,718</u>
Athletics:					
Athletics	\$ 72,847	422,596	(9,525)	443,351	42,567
Summer athletics	117,039	110,270	(58,448)	47,470	121,391
Vending commission	4,164	10,000	469	127	14,507
Pom concessions	1,684	45,341	(28,553)	17,534	938
Wrestling booster club	1,849	7,565	686	9,575	526
Football booster club	110,668	157,252	(80)	166,122	101,718
Basketball booster club	723	91,001	(12,558)	78,098	1,067
Pom general fund	19,629	49,739	18,336	79,797	7,907

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2013

	BALANCE 7-01-12	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-13
Athletics: (cont'd)					
JV Pom booster club	\$ 2,845	55,795	10,800	60,353	9,088
Summer baseball	3,364	8,199	(4,019)	0	7,545
8th grade Pom	1,855	30,079	(10,710)	19,164	2,060
Cross country booster club	3,456	14,513	6	10,846	7,129
HS baseball booster club	47,613	68,615	(6,835)	77,673	31,720
Girls softball booster club	6,561	25,642	(127)	21,519	10,556
Track booster club	5,392	15,846	12	14,067	7,183
JHS cheerleader booster	19,104	58,142	(27,951)	27,997	21,298
Soccer booster club	7,920	63,055	447	49,652	21,770
Freshman Pom	5,121	51,158	(9,125)	41,657	5,497
Swim booster club	19,081	49,378	(33)	51,363	17,063
Jenks tennis booster	3,818	12,324	760	15,865	1,037
Athletic training booster club	16,768	1,352	3,442	5,459	16,103
Girls golf booster club	7,603	12,106	11	11,531	8,189
Volleyball booster club	19,797	22,727	(1,116)	32,347	9,060
Jenks cheer general fund	39,684	117,086	21,907	160,394	18,283
Boys golf booster club	5,909	12,965	148	15,893	3,130
Varsity Pom booster club	7,591	70,993	(1,023)	71,789	5,772
Sub-total	<u>\$ 552,083</u>	<u>1,583,737</u>	<u>(113,077)</u>	<u>1,529,642</u>	<u>493,101</u>
East Elementary:					
Vending commission	\$ 518	0	477	470	525
General administrative	18,319	32,647	(544)	31,665	18,757
School store	2,720	4,165	6	4,439	2,452
Rentie Grove	2,052	0	4	0	2,055
Playground development	7,762	20,000	15	375	27,402
Sub-total	<u>\$ 31,370</u>	<u>56,812</u>	<u>(42)</u>	<u>36,948</u>	<u>51,191</u>
Southeast Elementary:					
Vending commission	\$ 2,077	0	(375)	0	1,703
General fund	39,798	40,800	(386)	47,484	32,730
Sub-total	<u>\$ 41,875</u>	<u>40,800</u>	<u>(760)</u>	<u>47,484</u>	<u>34,432</u>
West Elementary:					
Vending commission	\$ 1	0	828	0	829
Memorial fund	1,587	0	3	0	1,590
General administrative	47,683	46,112	10,894	42,878	61,811
PTAG	55,194	210,909	28	198,642	67,488
Sub-total	<u>\$ 104,464</u>	<u>257,020</u>	<u>11,753</u>	<u>241,519</u>	<u>131,718</u>
East Intermediate:					
Vending commission	\$ 576	0	347	0	923
General administrative	31,186	292,980	(223)	300,222	23,721
Sub-total	<u>\$ 31,762</u>	<u>292,980</u>	<u>124</u>	<u>300,222</u>	<u>24,644</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2013

	BALANCE 7-01-12	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-13
West Intermediate:					
Vending commission	\$ 4,693	0	400	617	4,477
Hospitality	715	420	2	946	191
PTAG	44,381	51,635	(17,396)	51,009	27,612
West Intermediate school	63,196	28,547	6,500	29,179	69,065
West Enviromental school	5,825	25,635	10,025	37,844	3,640
Sub-total	<u>\$ 118,810</u>	<u>106,237</u>	<u>(469)</u>	<u>119,594</u>	<u>104,985</u>
Jenks Middle School:					
Vending commission	\$ 2,072	0	(2,072)	0	0
Vocal music	5,922	28,197	(517)	27,212	6,389
Leadership	5,563	7,807	(3,251)	7,891	2,229
JMS Band	44	36,815	10,985	37,667	10,177
NJHS	2,261	4,049	(712)	4,897	700
Library	181	407	(27)	371	189
General admistrative	50,124	85,060	(5,212)	85,952	44,020
Publications	5,194	25,135	(1,405)	25,160	3,764
Sub-total	<u>\$ 71,360</u>	<u>187,470</u>	<u>(2,212)</u>	<u>189,150</u>	<u>67,468</u>
Freshman Academy:					
Vending commission	\$ 348	0	7,227	0	7,575
Freshman class	1,188	5,126	317	4,038	2,593
General administrative	74,637	51,914	(8,929)	40,804	76,818
Sub-total	<u>\$ 76,172</u>	<u>57,040</u>	<u>(1,384)</u>	<u>44,842</u>	<u>86,986</u>
High School:					
Hospitality	\$ 189	0	0	0	190
Vending commission	273	0	23,716	1,572	22,418
Band vending commission	189	0	0	98	91
Service learning	999	0	(999)	0	0
ROTC	(750)	8,439	2,713	6,842	3,560
US first	2,100	10,109	1,886	10,168	3,928
Academic bowl	1,320	4,000	(677)	3,113	1,530
FFA alumni	197	910	3,201	3,647	662
Vocal music booster club	72,980	270,758	(10,886)	281,542	51,309
Class of 2005 reunion	8	0	(8)	0	0
Class of 2009 reunion	1	0	(1)	0	0
Trojan torch	947	415	2	935	429
Class 2002 alumni	6,916	0	(1)	6,916	0
Jenks HS AVID	2,125	2,246	679	4,420	629
FCA	1,733	80	754	1,204	1,362
China cultural exchange	2,182	16,779	9	15,246	3,724
Basketball spirit committee	453	525	1	482	497

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2013

	BALANCE 7-01-12	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-13
High School: (cont'd)					
Class of 2003 reunion	\$ 5,617	0	11	0	5,628
Hockey spirit committee	21	0	(21)	0	0
Anthology	418	0	0	408	10
Otaku club	127	0	0	0	127
French club	696	1,170	(133)	1,005	729
Ted Westhusing memorial	1,721	5,000	3	1,000	5,724
Club Earth	2,331	584	804	1,562	2,157
Latin club	420	5,099	(23)	4,412	1,083
I can work program	1,112	253	365	685	1,046
Band	155	3,451	7,173	8,970	1,809
Trainable mentally handicap	158	0	0	0	158
Special Olympics	1,424	1,478	1,002	3,745	159
Class of 2010 reunion	2,500	0	5	0	2,505
Chinese club	539	995	189	1,647	75
Yearbook	38,485	104,615	3,994	118,163	28,931
Orchestra parents club	5,146	11,988	(574)	6,654	9,907
Art club	798	9,966	33	7,632	3,165
Class of 2012 reunion	0	0	1,000	0	1,000
Drafting	0	0	0	0	0
DECA	1,260	36,468	(452)	33,680	3,596
FFA	1,711	56,027	65	54,581	3,222
Classroom volunteers	1,110	0	0	65	1,045
German club	205	1,377	2,472	3,466	589
JROTC parents	4,232	7,755	(2,324)	3,975	5,688
History club	1,254	90	2	614	731
Junior class	4,114	7,512	(1,851)	4,792	4,983
Key club	9,483	21,930	(169)	24,265	6,979
Math club	6,680	6,525	10	9,161	4,054
Competitive speech/debate	1,510	28,786	2,559	31,905	949
National honor society	2,430	5,215	(670)	1,568	5,407
Senior club	35	21,145	4,131	23,353	1,959
Pre-Med society	7,426	2,721	(85)	1,559	8,503
Spanish club	690	2,381	(71)	1,779	1,220
Sophomore class	2,312	4,742	(1,559)	2,030	3,464
Class of 2011 reunion	2,500	0	3	0	2,503
HS football spirit committee	2,151	3,991	6	4,317	1,831
Student council	14,987	36,146	(437)	35,669	15,027
Drama club	7,335	52,640	1,400	51,590	9,785
FCCLA	2,397	12,199	(637)	11,198	2,761
Class of 2006 reunion	268	0	1	0	269
Judy & J Sanders scholarship fund	30,515	0	58	4,000	26,573
HS 6 general administrative	51,474	126,241	(69,751)	72,600	35,365
PAC - Student support service	715	0	487	846	355
Library	3,358	6,259	(23)	5,249	4,345
Class of 2008 reunion	2,019	0	4	0	2,023

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2013

	BALANCE 7-01-12	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-13
High School: (cont'd)					
Native American Club	\$ 0	578	200	226	552
JPS student support	2,296	0	4	0	2,301
Vocal music	3,440	71,014	13,653	74,508	13,599
HS graduation party	18,912	45,223	(2,667)	47,435	14,033
Class of 2004 reunion	5,813	0	11	0	5,825
American sign language	3,111	3,817	(313)	3,072	3,542
Jenks band parents concessions	18,970	60,134	(18,590)	24,926	35,587
TV studio	1,052	217	1,176	419	2,027
Jenks band parents	47,329	266,276	8,975	213,505	109,073
Art honor society	2,012	6,954	3	7,408	1,561
Sub-total	<u>\$ 418,638</u>	<u>1,353,220</u>	<u>(30,158)</u>	<u>1,245,829</u>	<u>495,871</u>
Alternative Center:					
Alternative center student account	\$ 3,356	8,981	2,256	11,662	2,931
Vending Commission			2,472		2,472
Sub-total	<u>\$ 3,356</u>	<u>8,981</u>	<u>4,728</u>	<u>11,662</u>	<u>5,403</u>
Total Activity Funds	<u>\$ 2,225,052</u>	<u>4,202,827</u>	<u>(1,827)</u>	<u>4,150,535</u>	<u>\$ 2,275,517</u>
Community Education	<u>\$ 706,487</u>	<u>4,112,462</u>	<u>0</u>	<u>3,636,105</u>	<u>1,182,844</u>
Total Liabilities	<u>\$ 2,931,539</u>	<u>8,315,289</u>	<u>(1,827)</u>	<u>7,786,640</u>	<u>3,458,362</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor / Pass Through Grantor / Program Title	CFDA Number	Federal Grantor's/ Pass-through No.	Program or Award Amount	Balance at 7/1/12	Revenue Collected	Total Expenditures	Balance at 6/30/13
<u>U.S. Department of Education :</u>							
<u>Direct Programs:</u>							
Indian Education	84.060	S060A120815	\$ 137,548		121,679	137,547	15,868
Indian Education - Note 1	84.060	S060A110815		29,612	29,612		
SINO Trojan Grant	84.293		26,811		6,730	6,730	
SINO Trojan Grant - Note 1	84.293			84,332	84,332		
K-16 Chinese Grant	84.293		110,053		74,513	107,802	33,289
K-16 Chinese Grant - Note 1	84.293			57,118	57,118		
Sub Total			<u>274,412</u>	<u>171,062</u>	<u>373,984</u>	<u>252,079</u>	<u>49,157</u>
<u>Passed Through State Department of Education:</u>							
<u>*Title I Programs:</u>							
Title I	84.010		1,062,840		788,391	939,880	151,489
Title I - Note 1	84.010			192,846	192,846		
Title I School Support	84.010		48,854		24,798	46,920	22,122
Title I School Improvement - Note 1	84.010			47,547	47,547		
<u>*Special Education Programs:</u>							
IDEA-B Flowthrough	84.027		1,891,699		1,490,702	1,820,525	329,824
IDEA-B Flowthrough - Note 1	84.027			326,802	326,802		
IDEA-B Flowthrough, ARRA - Note 1	84.391						
IDEA-B Project ECCO	84.027		3,000		0	1,009	1,009
IDEA-B Project ECCO - Note 1	84.027			2,476	2,476		
IDEA-B Private Schools	84.027		121,620		96,547	120,641	24,094
IDEA-B Private Schools - Note 1	84.027			25,953	25,953		
IDEA-B Preschool	84.173		41,907		29,311	36,964	7,653
IDEA-B Preschool - Note 1	84.173			10,349	10,349		
IDEA-B Preschool - Private Schools	84.173		2,897		2,124	2,683	559
IDEA-B Preschool - Private Schools - Note 1	84.173			538	538		
Title II Part A	84.367		265,675		184,360	241,849	57,489
Title II Part A - Note 1	84.367			13,692	13,692		
Title II Part D - Note 1	84.318			15,995	15,995		
Adult Basic Education	84.002		85,919		67,846	85,067	17,220
Adult Basic Education - Note 1	84.002			12,809	12,809		
Adult Basic Education English Literacy	84.002		13,000		9,543	10,941	1,398
Adult Basic Education Corrections Inst.	84.002		8,066		2,646	7,741	5,095
Title III Emergency Immigrant	84.365		173,040		38,618	86,005	47,387
Title III Emergency Immigrant - Note 1	84.365			12,939	12,939		
Title III Part A English Language	84.365		81,125		51,458	56,725	5,267
Title III Part A - Note 1	84.365			10,841	10,841		
Sub Total			<u>3,799,642</u>	<u>672,787</u>	<u>3,459,131</u>	<u>3,456,950</u>	<u>670,606</u>
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins Grant	84.048		72,728		59,387	67,399	8,012
Carl Perkins Grant - Note 1	84.048			5,699	5,699		
Sub Total			<u>72,728</u>	<u>5,699</u>	<u>65,086</u>	<u>67,399</u>	<u>8,012</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

<u>Federal Grantor / Pass Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Federal Grantor's/ Pass-through No.</u>	<u>Program or Award Amount</u>	<u>Balance at 7/1/12</u>	<u>Revenue Collected</u>	<u>Total Expenditures</u>	<u>Balance at 6/30/13</u>
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education:</u>							
Child Nutrition Programs:							
School Breakfast Program	10.553				258,562	258,562	
National School Lunch Program	10.555				1,494,754	1,150,854	
Sub Total					<u>1,753,316</u>	<u>1,409,416</u>	
<u>Passed Through Department of Human Services:</u>							
Non-cash Assistance-Commodities - Note 2	10.555				195,991	195,991	
<u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130		37,080		9,098	18,575	9,477
Johnson O'Malley - Note 1	15.130			1,542	1,542		
Johnson O'Malley Carryover	15.130		27,601		27,601	27,601	
Malcom Baldrige Grant	11.609	60NANB6D6007	30,581		15,933	23,703	7,770
Malcom Baldrige Grant - Note 1	11.609			18,924	18,924		
Homeland Security Grant	97.073		17,780		17,708	17,708	
Homeland Security Grant - Note 1	97.073			3,720	3,720		
Flood Control	12.112		50		50	50	
FEMA Disaster Assistance	n/a		8,935		8,935	8,935	
Medicaid Resources	93.778		130,309		89,351	130,309	40,958
JROTC - Airforce	12.397		57,880		57,880	57,880	
Sub Total			<u>310,216</u>	<u>24,186</u>	<u>250,742</u>	<u>284,761</u>	<u>58,205</u>
Total Federal Assistance			<u>\$ 4,456,998</u>	<u>873,734</u>	<u>6,098,250</u>	<u>5,666,596</u>	<u>785,980</u>

Note - Total federal revenues and total federal expenditures shown on this schedule will differ from amounts shown on financial statements due to variances in revenue and expenditure recognition. This schedule is prepared using a regulatory basis of accounting, per the Oklahoma State Department of Education.

Note 1 - These amounts represent reimbursements for prior year expenditures which were not received until the current fiscal year.

Note 2 - Commodities received by the District in the amount of \$157,545 were of a non-monetary nature and therefore the total revenue does not agree with the financial statements by this amount.

* Major programs



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

**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**

November 19, 2013

The Honorable Board of Education
Jenks School District Number I-5
Jenks, Tulsa County, Oklahoma

We 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 within the combined financial statements of the Jenks School District Number I-5, Jenks, Tulsa County, Oklahoma (District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 19, 2013, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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.

Our 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. 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 the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement, compliance with which could have a direct and material effect on the determination of financial statements 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.



Sanders, Bledsoe & Hewett
Certified Public Accounts, LLP



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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

November 19, 2013

The Honorable Board of Education
Jenks School District Number I-5
Jenks, Tulsa County, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Jenks School District Number I-5, Jenks, Tulsa County, Oklahoma (District)'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 the District's major federal programs for the year ended June 30, 2013. The District'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 the District'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 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, 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, 2013

Report on Internal Control Over Compliance

Management of the District, 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 the District’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 the District’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 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.



Sanders, Bledsoe & Hewett
Certified Public Accounts, LLP

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
DISPOSITION OF PRIOR YEAR'S REPORTABLE CONDITIONS AND MATERIAL
INSTANCES OF NON-COMPLIANCE
JUNE 30, 2013

There were no prior year reportable conditions.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2013

Section 1 – Summary of Auditor’s Results:

1. An unqualified opinion was issued on the financial statements with respect to the regulatory basis of accounting prescribed.
2. The audit disclosed no reportable conditions in the internal controls.
3. The audit disclosed no instances of noncompliance with state laws and regulations.
4. The audit disclosed no reportable conditions in the internal controls over major programs.
5. An unqualified opinion report was issued on the compliance of major programs.
6. The audit disclosed no findings that were required to be reported under OMB Circular A-133 § 510(a).
7. Programs determined to be major are the Title I Program (84.010), which was not clustered in determination, and the IDEA-B Special Education Programs (84.027, 84.173), which were clustered in determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$300,000.
9. The auditee was determined not to be a low-risk auditee.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS:

NONE

Section 3 – Findings and questioned costs for federal awards:

NONE

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF STATUTORY, FIDELITY AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2013

BONDING COMPANY	POSITION COVERED	BOND NUMBER	COVERAGE AMOUNT	EFFECTIVE DATES
RLI Insurance Company	CFO/Treasurer	LSM0477915	\$ 300,000	1/28/13-1/28/14
Liberty Mutual	Superintendent	5056071	300,000	7/1/12-7/1/13
	Deputy Superintendent	5056150	300,000	7/1/12 - 7/1/13
	Assistant Treasurer	601021411	300,000	12/31/12-12/31/13
	Treasurers Clerk	3885007	50,000	7/1/12 - 7/1/13
	Minutes/Board Clerk	601030385	10,000	5/8/13 - 5/8/14
	Encumbrance Clerk	601030382	10,000	5/9/13 - 5/9/14
	Blanket Bond:			
	Community Educ. Sec.	3316070	242,000	7/1/12 - 7/1/13
	Cafeteria Site Mgr.			
	Cafeteria Asst. Mgr.			
	Food Svc. Director			
	Child Nutr. Teller			
	Activity Fund Cust.			
	Activity Fund Courier			

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE
AFFIDAVIT
JULY 1, 2012 TO JUNE 30, 2013

State of Oklahoma)
) ss
County of Tulsa)

The undersigned auditing firm of lawful ages, 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 Jenks Public Schools for the audit year 2012-13.

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP
Auditing Firm

By _____
Authorized Agent

Subscribed and sworn to before me
This 19th day of November 2013

Notary Public (or Clerk or Judge)

My Commission Expires: 5/19/2016
Commission No. 00008621