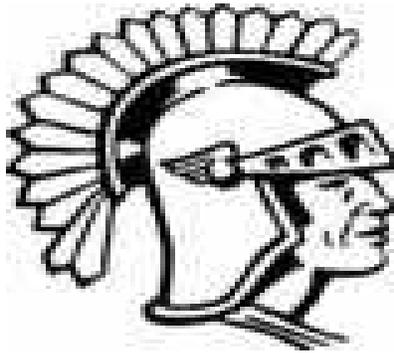


**JENKS SCHOOL DISTRICT NO. I-5
TULSA COUNTY, OKLAHOMA**

**FINANCIAL STATEMENTS
AND REPORTS OF INDEPENDENT AUDITORS**

JUNE 30, 2014



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, 2014

BOARD OF EDUCATION

President

Chuck Forbes

Vice-President

Tracy Kennedy

Members

Ron Barber

Jon Phillips

Melissa Abdo

Clerk of Board

Kim Bourke

SUPERINTENDENT OF SCHOOLS

Stacey Butterfield

**CHIEF FINANCIAL OFFICER/
TREASURER**

Cody Way

www.jenksps.org

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5
TULSA COUNTY, OKLAHOMA
JUNE 30, 2014

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JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5
TULSA COUNTY, OKLAHOMA
JUNE 30, 2014

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SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT

December 22, 2014

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, 2014, 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, 2014, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Unqualified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balance arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2014, 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 37, 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 December 22, 2014 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, 2014**

Jenks Public Schools provides this discussion and analysis of the District's financial activities for the fiscal year ending June 30, 2014. The intent of this narrative overview is to look at the district's financial performance as a whole. Readers are encouraged to consider the notes to the basic financial statements to enhance their understanding of Jenks Schools' financial performance. This is the eleventh year the District has prepared financial statements following Governmental Accounting Standards Board (GASB) Statement No. 34.

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 government-wide financial statements. Because the focus of District funds is narrower than that of the government-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 the total District revenue. This fund represents a majority of the District's day-to-day operational expenses. At the close of fiscal year 2014, the District reported positive cash balances in all funds with the General Fund balance being **\$7,142,858** which is a percentage balance of 10.55% of revenue received for this fund. Over the past five years, Jenks Public Schools has continued to receive less revenue per pupil from the State of Oklahoma. The slowdown in state-wide property valuation growth has impacted local property tax collections. 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. The Board designated 8% as the districts fund balance goal. Three years ago, the Board of Education made a commitment to lower class sizes at the elementary level. Using the combination of patron donations and District general fund revenues, class sizes have dropped significantly with the additional of several new certified staff positions. Although this effort has also reduced the amount in the District's fund balance, the District is still forecasting to end Fiscal Year 2014-15 with a fund balance above 8%.

Fund Balances

As of the close of fiscal year 2014, the District funds reported a governmental-wide ending cash fund balance of **\$53,547,095**, reflecting a decrease of **\$762,761 or 1.41%** in comparison with the prior year. This decrease is due largely to the additional staffing that was hired to meet the need of the District's enrollment growth. Individual fund balances for the General Fund, Child Nutrition and Sinking Funds decreased in comparison with the prior year. The District's Trust Funds (Other) represented the largest cash fund balance increase of **\$350,879**.

<u>Fund Type</u>	<u>2013 Fund</u>	<u>2014 Fund</u>	<u>Variance</u>	<u>Percent</u>
General	\$8,241,345	\$7,142,858	-\$1,098,487	-13.33%
Coop	\$0	\$1,208	\$1,208	100.00%
Building	\$645,485	\$450,031	-\$195,454	-30.28%
Child Nutrition	\$1,246,257	\$1,214,588	-\$31,699	-2.55%
Sinking	\$12,876,279	\$13,116,830	\$240,550	1.87%
Bond	\$31,124,393	\$31,094,605	-\$29,788	-0.10%
Other	\$176,096	\$526,975	\$350,879	199.26%
Total	\$54,309,856	\$53,547,095	-\$762,761	-1.41%

Fiscal Year 2013 – 2014 Summary

General Fund revenue collections for the fiscal year ending June 30, 2014, in the amount of **\$67,759,972** reflecting a net gain of **\$2,656,450** from the original estimated General Fund revenue projections of **\$65,103,522** approved and adopted by the Board of Education in June 2013. The increase in revenue was a result of a small growth in net assessed property valuation within the District and an increase in state aid revenue due to student enrollment growth. District General Fund operating expenses increased by **\$1,667,845** over the initial adopted budget of **\$67,167,525**. 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 2013-14 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 54 of audit under summary of audit results.)

Long Term Debt

General Obligation Bonds: As of June 30, 2014, the District had \$80,750,000 in outstanding bonds and notes compared to \$76,955,000 on June 30, 2013. During the 2013-14 fiscal year, the District retired \$21,205,000 in bonds and/or notes and added \$25,000,000 in long-term debt.

<u>Fiscal Year</u>	<u>Bonds Issued</u>	<u>Outstanding</u>	<u>Final Payment</u>
2010 Series	\$22,000,000	\$5,500,000	6-01-15
2011 Series	\$19,295,000	\$9,650,000	6-01-16
2012 Series	\$22,550,000	\$16,920,000	6-01-17
2013 Series	\$23,680,000	\$23,680,000	6-01-18
2014 Series	\$25,000,000	\$25,000,000	6-01-19
Total	\$112,525,000	\$80,750,000	

Interest paid on general long-term debt during the fiscal year ending June 30, 2014, totaled \$2,719,625.

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, 2014, approximately \$104,150,093 has been paid out for construction costs. \$1,985,165, remains in the respective trust accounts to pay for future construction costs.

Capital and Fixed Assets

The District is in its twelfth year of tracking all assets of significant value. 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, 2014, capital assets are as follows:

	<u>Beginning</u>	<u>Increases</u>	<u>Ending</u>
Capital Assets	\$282,243,103	\$30,783,466	\$313,026,569
Depreciation	(25,045,520)	(10,359,478)	(35,404,998)
Total Capital Assets	\$257,197,583	\$20,423,988	\$277,621,572

2014-15 Fiscal Year Forecast

Given the slow ongoing recovery from the recession and limited dedicated revenue streams at the state level, the tremendous financial impact to Oklahoma school districts continues to persist. 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 (NAV) increased at a rate of 1.19%; a decrease of .8% which continues to indicate stunted growth value due to the impact of State Questions approved by voters in November 2012. The District's NAV has a five-year average growth of 2.88%.** Residential housing starts and commercial development continue within the Jenks Public School District, and student growth has increased by approximately 276 students for the 2014-15 fiscal year. The state legislature increased funding to the State Aid formula by \$40 million for FY 2014-15. This was a positive change after several years of reduced per pupil funding. With all these challenges of a growing enrollment and limited revenue collections, the District is still projecting an ending cash fund balance of over 8%.

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 annual bond issues for needs such as classroom space, district-wide technology, remodeling and maintenance on existing facilities, district wide equipment, school safety, as well as library books and textbooks for classrooms.

As we move through the 2014-15 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. The budget is amended once the District has received the following information:

1. An accurate District "Net Assessed Valuation" certified by the Board of Equalization.
2. Certified and audited prior year actual collected revenues.
3. Final Federal grant award notifications for Fiscal Year 2014-15 programs.
4. Any increased State dedicated revenues.
5. October child count conducted by the State regional accreditation officer assigned to our District.
6. Any increase in Flexible Benefit Allowance funding from the State to pass on to employees who elect to participate in the insurance benefits program.
7. Notification of the District's **mid-year** adjusted State Aid allocation funding.
8. Potential actions taken by the Board of Education to increase the General Fund expenditure budget in the form of salary increases, new positions and programs.

Jenks Public Schools is projecting a 9.2% ending fund balance for Fiscal Year 2014-15. This percentage surpasses the District's goal set at 8%. In closing, JPS has the full support of staff members, 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.

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. In the last legislative session, Oklahoma legislators appropriated \$80 million in additional funding for common education, including \$40 million dedicated for the State Aid Formula. With growing enrollment statewide, the additional dollars resulted in an increase in operational funding to school districts for the first time in five years. As common education continues to take a back seat to other legislative funding priorities, the impact has reached the classroom via larger class sizes, limited teacher pay, reduced programs, and a statewide teacher shortage. Without sufficient state funding, the burden to pay for increased operational costs are placed directly on the District's fund balance. School districts are facing uncertainty in future funding years. Recent federal cuts are also taking their toll on school district budgets across the state. Appropriations for Common Education made by the Legislature remain over \$100 million below the amount budgeted in Fiscal Year 2008-09.

Jenks Public Schools lobbying efforts for this year's legislative session will specifically focus on legislation to increase per pupil funding for the State Aid formula back to the 2008-09 level and fully fund any new reforms that have been previously implemented. We will support any initiative that improves teacher pay to help address the statewide teacher shortage. School districts also face a loss of future revenue with the reduction of the state income tax rate. There are also tax credits across the state that total over \$1 billion. We are hopeful that the tax credits are reviewed and many are eliminated to provide future revenue streams for state agencies. The state board of equalization is predicted that the legislature will have \$300 million less to build the state's budget for FY 2015-16. It is vital that our elected officials make our students a priority when making funding decisions.

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 processes. 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 on the table." Interest earned from the district's investment practices continues to be a General Fund 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 2013-14 fiscal year total return on investments was \$292,526. Based upon 260 working days, our District earned \$1,125 per day or \$141 per working hour. While these current numbers are not impressive, it is just one more indicator to describe the impact of the current economic environment. JPS will continue to utilize investment strategies and best practices to maximize the return on our investments even in today's recovering market.

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 the Finance and Business Services Department at Jenks Public Schools, 205 East "B" Street, Jenks, Oklahoma 74037. We can be reached by phone at (918) 299-4415, extension 2463.



Cody Way
Chief Financial Officer
Jenks Public Schools

INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2014

	<u>Governmental Activities</u>	<u>Prior Year (Memorandum Only)</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 24,323,212	\$ 20,599,540
Investments	36,330,236	40,495,053
Total current assets	<u>60,653,448</u>	<u>61,094,593</u>
Non-current assets:		
Capital assets, net of accumulated depreciation	<u>254,742,451</u>	<u>257,243,585</u>
Total Assets	<u>315,395,899</u>	<u>318,338,177</u>
 <u>LIABILITIES</u>		
Current liabilities:		
Warrants payable	1,181,115	1,120,120
Encumbrances	5,925,238	5,664,617
Total current liabilities	<u>7,106,353</u>	<u>6,784,737</u>
Non-current liabilities:		
General obligation bonds payable	<u>80,750,000</u>	<u>76,955,000</u>
Total Liabilities	<u>87,856,353</u>	<u>83,739,737</u>
 <u>NET ASSETS</u>		
Invested in capital assets, net of related debt	173,992,451	180,288,585
Restricted for debt service	11,316,992	10,995,135
Unrestricted	<u>42,230,103</u>	<u>43,314,720</u>
Total Net Assets	<u>\$ 227,539,546</u>	<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 ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>TOTAL</u>
Instruction	\$ 35,266,836		2,634,912	(32,631,924)
Support services	28,397,302	2,480,171	810,591	(25,106,540)
Non-instruction services	5,320,267	1,988,030	1,822,203	(1,510,034)
Other outlays	1,162,002		279,970	(882,032)
Interest paid on long-term debt	5,016,802			(5,016,802)
Depreciation - unallocated	10,359,478			(10,359,478)
Total governmental activities	<u>85,522,687</u>	<u>4,468,201</u>	<u>5,547,676</u>	<u>(75,506,810)</u>

General revenues-

Taxes-	
Property taxes, levied for general purposes	29,038,900
Property taxes, levied for debt services	23,487,048
Investment earnings	292,526
Other local revenue	3,351,661
County revenue	2,651,745
State aid - formula grants	27,077,789
Dedicated state revenue	5,323,937
Special items-	
Adjustments to prior year encumbrances	<u>103,432</u>
Total general revenues and special items	<u>91,327,038</u>
Change in net assets	15,820,228
Net assets, beginning of period	<u>234,598,440</u>
Net assets, end of period	<u>\$ 250,418,668</u>

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

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF ASSETS, LIABILITIES AND CASH FUND BALANCES -
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Coop Fund	Building Fund	Child Nutrition Fund	Sinking Fund	Bond Funds	Other Governmental Funds	TOTAL
<u>ASSETS</u>								
Cash	\$ 1,556,668	1,208	494,582	1,293,637	5,181,276	15,233,213	4,394,801	28,155,385
Investments	12,096,149				7,935,553	16,298,533		36,330,236
Total Assets	<u>\$ 13,652,817</u>	<u>1,208</u>	<u>494,582</u>	<u>1,293,637</u>	<u>13,116,830</u>	<u>31,531,746</u>	<u>4,394,801</u>	<u>64,485,621</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Warrants payable	\$ 726,183			17,790		437,141		1,181,115
Encumbrances	5,783,775		44,550	61,259			35,653	5,925,238
Funds held for school operations							3,832,173	3,832,173
Total Liabilities	<u>6,509,959</u>	<u>0</u>	<u>44,550</u>	<u>79,049</u>	<u>0</u>	<u>437,141</u>	<u>3,867,826</u>	<u>10,938,525</u>
Fund Balances:								
Reserved for- Retirement of long-term debt					11,316,992			11,316,992
Unreserved- Undesignated, reported in- General fund	7,142,858							7,142,858
Other funds		1,208	450,031	1,214,588	1,799,838	31,094,605	526,975	35,087,246
Total Fund Balances	<u>7,142,858</u>	<u>1,208</u>	<u>450,031</u>	<u>1,214,588</u>	<u>13,116,830</u>	<u>31,094,605</u>	<u>526,975</u>	<u>53,547,096</u>
Total Liabilities and Fund Balances	<u>\$ 13,652,817</u>	<u>1,208</u>	<u>494,582</u>	<u>1,293,637</u>	<u>13,116,830</u>	<u>31,531,746</u>	<u>4,394,801</u>	
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 \$313,026,569 and the accumulated depreciation is (\$35,404,997)								
								277,621,572
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								
								<u>(80,750,000)</u>
Net Assets of Governmental Activities								<u>\$ 250,418,668</u>

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

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, 2014

	General Fund	Coop Fund	Building Fund	Child Nutrition Fund	Sinking Fund	Bond Funds	Other Governmental Funds	TOTAL
Revenues Collected:								
Taxes	\$ 25,413,246		3,625,654		23,487,048			52,525,948
Local sources	656,138		36,068	1,988,030		10,772	1,126,147	3,817,156
Intermediate sources	2,651,745							2,651,745
State sources	32,086,724			315,002				32,401,726
Federal sources	3,701,925	23,548		1,822,203				5,547,675
Interest earnings	250,858		303	589	30,789		9,987	292,526
Non revenue receipts	2,999,336		300,000	5,120	698,250			4,002,706
Total revenues collected	<u>67,759,972</u>	<u>23,548</u>	<u>3,962,025</u>	<u>4,130,944</u>	<u>24,216,087</u>	<u>10,772</u>	<u>1,136,134</u>	<u>101,239,482</u>
Expenditures:								
Instruction	41,870,015		6,445			1,367,303		43,243,763
Support services	24,151,089	22,340	4,146,696			6,269,730	220,272	34,810,126
Operation of non-instructional services	2,676,566			3,859,754		35,230		6,571,550
Facilities acquisition and construction services			20,400			15,122,032		15,142,432
Other outlays:								
Debt service requirements					26,221,802			26,221,802
Reimbursement				303,000				303,000
Private nonprofit schools	108,541							108,541
Correcting entry	21,032			2,120				23,152
Other uses	8,128			1,352			671,827	681,308
Total expenditures	<u>68,835,370</u>	<u>22,340</u>	<u>4,173,541</u>	<u>4,166,226</u>	<u>26,221,802</u>	<u>22,794,295</u>	<u>892,100</u>	<u>127,105,675</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(1,075,399)	1,208	(211,516)	(35,282)	(2,005,715)	(22,783,523)	244,035	(25,866,193)
Adjustments to prior year encumbrances	<u>83,756</u>	<u>0</u>	<u>16,062</u>	<u>3,614</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>103,432</u>
Excess of revenues collected over (under) expenditures	(991,643)	1,208	(195,454)	(31,669)	(2,005,715)	(22,783,523)	244,035	(25,762,761)
Other financing sources (uses):								
Transfers in (out)	(106,844)				2,246,266	(2,246,266)	106,844	
Proceeds from sale of bonds						25,000,000		25,000,000
Total other financing sources (uses)	<u>(106,844)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,246,266</u>	<u>25,000,000</u>	<u>106,844</u>	<u>25,000,000</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing uses	(1,098,487)	1,208	(195,454)	(31,669)	240,550	(29,788)	350,879	(762,761)
Cash fund balances, beginning of year	8,241,345	0	645,485	1,246,257	12,876,279	31,124,393	176,096	54,309,856
Cash fund balances, end of year	<u>\$ 7,142,858</u>	<u>1,208</u>	<u>450,031</u>	<u>1,214,588</u>	<u>13,116,830</u>	<u>31,094,605</u>	<u>526,975</u>	<u>53,547,095</u>

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

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, 2014

Net change in fund balances - governmental funds \$ (762,760)

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	30,783,466	
Depreciation expense	(10,359,478)	
Adjustment to beginning balance of capital assets (net of accumulated depreciation) for assets purchased prior period	(46,000)	20,377,988

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. (25,000,000)

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. 21,205,000

Changes in net assets of governmental activities \$ 15,820,228

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

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 STATEMENT OF FIDUCIARY NET ASSETS -
 REGULATORY BASIS
 JUNE 30, 2014

	AGENCY FUNDS
<u>ASSETS</u>	SCHOOL ACTIVITY FUNDS
Cash	\$ 3,832,173
Total Assets	\$ 3,832,173
<u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Funds held for school organizations:	
Student activity funds	\$ 2,411,881
Community education programs	1,420,291
Total liabilities	\$ 3,832,173

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

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, 2014

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. 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, 2014

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.

Co-op Fund - The co-op fund is established when the boards of education of two or more school districts enter into cooperative agreements and maintain joint programs. The revenues necessary to operate a cooperative program can come from federal, state, or local sources, including the individual contributions of participating school districts. The expenditures for this fund would consist of those necessary to operate and maintain the joint programs.

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 2013-14 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, 2014

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, 2014

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, 2014

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 2013-14 fiscal year was \$132,909,847.

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, 2014

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, 2014, 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, 2014 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets	\$ 282,516,459	30,783,466	(273,356)	313,026,569
Less:				
Accumulated Depr.	(25,318,875)	(10,359,478)	273,356	(35,404,997)
Total Capital Assets	\$ 257,197,584	20,423,988	0	277,621,572

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, 2014

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.

Compensated Absences – The District's policies regarding accumulated unpaid leave applies only to unused vacation and accumulated sick leave and personal days for employees upon retirement only. The government-wide financial statements do not include any liability for any rights to receive vacation, sick leave, or other employee benefits. As of June 30, 2014, the amount estimated as employee leave liability was \$2,641,677.

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.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

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 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

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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.

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.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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).

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, 2014, was \$24,323,212. 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

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

2. CASH AND INVESTMENTS – cont'd

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.

Investments – At June 30, 2014, the District's investments consisted certificates of deposits with an approximate fair market value of \$36,330,236.

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, 2014.

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, 2014

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, 2014:

	Bonds Payable
Balance, July 1, 2013	\$ 76,955,000
Additions	25,000,000
Retirements	(21,205,000)
Balance, June 30, 2014	\$ 80,750,000

A brief description of the outstanding long-term debt at June 30, 2014, is set forth below:

	<u>Amount Outstanding</u>
<u>General Obligation Bonds:</u>	
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	\$ 5,500,000
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	9,650,000
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	16,920,000
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
Combined Purpose Bonds, Series 2014, original issue \$25,000,000, interest rate of 2.00%, due in annual installments of \$6,250,000, final payment of \$6,250,000 due 6-01-19	25,000,000
Total	\$ 80,750,000

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2014

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
2015	\$ 21,885,000	3,532,900	25,417,900
2016	22,635,000	2,347,650	24,982,650
2017	17,810,000	1,437,400	19,247,400
2018	12,170,000	768,400	12,938,400
2019	6,250,000	325,000	6,575,000
Total	<u>\$ 80,750,000</u>	<u>8,411,350</u>	<u>89,161,350</u>

Interest paid on general long-term debt during the 2013-14 fiscal year totaled \$2,719,625.

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, 2014

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 2013-14 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 2014, 2013 and 2012 were \$6,591,403, \$6,039,436 and \$5,798,752, 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, 2014

6. LEASE REVENUE BONDS - cont'd

As of June 30, 2014, approximately \$104,150,093 has been paid out for construction costs. \$1,985,165 remains in the respective trust accounts to pay for future construction costs.

The future lease payments will be as follows:

Fiscal Year	Payment
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	\$ 85,260,000
Less amounts representing interest	(12,565,125)
Lease Purchase Payable	\$ 72,694,875

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, 2014

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 December 22, 2014, 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.

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 27,652,320	28,078,797	26,069,384	28,446,912
Intermediate sources	2,505,827	2,505,827	2,651,745	2,665,578
State sources	30,740,917	31,809,387	32,086,724	30,518,170
Federal sources	4,054,457	4,054,457	3,701,925	4,140,341
Interest earnings	150,000	175,000	250,858	220,254
Non-revenue receipts			2,999,336	55,486
Total revenues collected	65,103,522	66,623,469	67,759,972	66,046,740
Expenditures:				
Instruction	40,670,815	41,825,478	41,870,015	39,849,564
Support services	23,853,551	24,328,004	24,133,125	23,707,243
Operation of non-instructional services	2,490,169	2,490,169	2,676,566	2,478,991
Facilities acquisition and construction services	600	600		
Other outlays:				
Private nonprofit schools	137,172	165,000	108,541	131,588
Correcting entry			21,032	24,038
Other uses	5,218	9,500	8,128	22,480
Bank charges	10,000	18,000	17,964	562
Total expenditures	67,167,525	68,836,751	68,835,370	66,214,467
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(2,064,003)	(2,213,282)	(1,075,399)	(167,726)
Other financing sources (uses):				
Operating transfers in (out)			(106,844)	(124,200)
Adjustments to prior year encumbrances	83,155	83,155	83,756	150,609
Total other financing sources (uses)	83,155	83,155	(23,088)	26,409
Excess of revenues collected over (under) expenditures	(1,980,848)	(2,130,127)	(1,098,487)	(141,318)
Cash fund balance, beginning of year	8,241,345	8,241,345	8,241,345	8,382,663
Cash fund balance, end of year	\$ 6,260,497	6,111,218	7,142,858	8,241,345

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 CO-OP FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Federal Sources	\$ 30,000	23,548	23,548	
Total revenues collected	<u>30,000</u>	<u>23,548</u>	<u>23,548</u>	<u>0</u>
Expenditures:				
Support services	30,000	23,548	22,340	
Total expenditures	<u>30,000</u>	<u>23,548</u>	<u>22,340</u>	<u>0</u>
Excess of revenues collected over (under) expenditures	0	0	1,208	0
Cash fund balance, beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash fund balance, end of year	<u><u>\$ 0</u></u>	<u><u>0</u></u>	<u><u>1,208</u></u>	<u><u>0</u></u>

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 BUILDING FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 3,601,341	3,601,341	3,661,723	3,549,466
Intermediate sources	256	256		37
Interest earnings	689	689	303	742
Non-revenue receipts	150,150	150,150	300,000	250,150
Total revenues collected	<u>3,752,436</u>	<u>3,752,436</u>	<u>3,962,025</u>	<u>3,800,394</u>
Expenditures:				
Instruction	5,340	5,340	6,445	4,310
Support services	4,029,373	4,262,136	4,146,696	3,851,230
Facilities acquisition and construction services			20,400	1,200
Total expenditures	<u>4,034,713</u>	<u>4,267,476</u>	<u>4,173,541</u>	<u>3,856,740</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(282,277)	(515,040)	(211,516)	(56,346)
Other financing sources (uses):				
Adjustments to prior year encumbrances	<u>73,242</u>	<u>16,062</u>	<u>16,062</u>	<u>73,242</u>
Excess of revenues collected over (under) expenditures	(209,035)	(498,978)	(195,454)	16,896
Cash fund balance, beginning of year	<u>280,074</u>	<u>645,485</u>	<u>645,485</u>	<u>628,588</u>
Cash fund balance, end of year	<u>\$ 71,039</u>	<u>146,507</u>	<u>450,031</u>	<u>645,485</u>

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 CHILD NUTRITION FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 2,488,922	2,488,922	1,988,030	2,087,496
State sources	205,101	205,101	315,002	262,204
Federal sources	1,589,400	1,589,400	1,822,203	1,753,315
Interest earnings	1,218	1,218	589	1,397
Non-revenue receipts	567	567	5,120	2,867
Total revenues collected	<u>4,285,208</u>	<u>4,285,208</u>	<u>4,130,944</u>	<u>4,107,280</u>
Expenditures:				
Operation of non-instructional services	4,507,002	4,507,002	3,859,754	3,889,853
Other outlays:				
Reimbursement	250,000	250,000	306,472	253,883
Total expenditures	<u>4,757,002</u>	<u>4,757,002</u>	<u>4,166,226</u>	<u>4,143,737</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(471,794)	(471,794)	(35,282)	(36,457)
Other financing sources (uses):				
Operating transfers in (out)	100,000	100,000		
Adjustments to prior year encumbrances	9,654	9,654	3,614	9,746
Total other financing sources (uses)	<u>109,654</u>	<u>109,654</u>	<u>3,614</u>	<u>9,746</u>
Excess of revenues collected over (under) expenditures	(362,140)	(362,140)	(31,669)	(26,711)
Cash fund balance, beginning of year	<u>1,319,327</u>	<u>1,319,327</u>	<u>1,246,257</u>	<u>1,272,968</u>
Cash fund balance, end of year	<u>\$ 957,187</u>	<u>957,187</u>	<u>1,214,588</u>	<u>1,246,257</u>

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 SINKING FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 21,718,875	21,718,875	23,487,048	21,554,678
Intermediate sources				225
Interest earnings			30,789	15,787
Non-revenue receipts	800,000	800,000	698,250	963,080
Total revenues collected	<u>22,518,875</u>	<u>22,518,875</u>	<u>24,216,087</u>	<u>22,533,769</u>
Requirements:				
Judgements			2,297,577	
Bonds	21,205,000	21,205,000	21,205,000	20,695,000
Coupons	2,719,225	2,719,225	2,719,225	2,956,550
Total expenditures	<u>23,924,225</u>	<u>23,924,225</u>	<u>26,221,802</u>	<u>23,651,550</u>
Excess of revenue collected over (under) expenditures before other financing sources	(1,405,350)	(1,405,350)	(2,005,715)	(1,117,781)
Other financing sources (uses):				
Operating transfers in (out)	<u>0</u>	<u>0</u>	<u>2,246,266</u>	<u>0</u>
Excess of revenue collected over (under) expenditures	(1,405,350)	(1,405,350)	240,550	(1,117,781)
Cash fund balance, beginning of year	<u>12,876,279</u>	<u>12,876,279</u>	<u>12,876,279</u>	<u>13,994,060</u>
Cash fund balance, end of year	<u>\$ 11,470,929</u>	<u>11,470,929</u>	<u>13,116,830</u>	<u>12,876,279</u>

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 BOND FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues collected:				
Local collections	\$		10,772	
Total revenues	<u>0</u>	<u>0</u>	<u>10,772</u>	<u>0</u>
Expenditures:				
Instruction	1,752,737	1,752,737	1,367,303	1,051,036
Support services	4,440,947	4,440,947	6,269,730	4,094,286
Operation non-instructional services	7,528	7,528	35,230	6,251
Facilities acquisition & construction services	18,363,384	18,363,384	15,122,032	14,558,807
Total expenditures	<u>24,564,596</u>	<u>24,564,596</u>	<u>22,794,295</u>	<u>19,710,380</u>
Excess of revenues collected over (under) expenditures before other financing sources	(24,564,596)	(24,564,596)	(22,783,523)	(19,710,380)
Other financing sources (uses)				
Operating transfers in (out)			(2,246,266)	
Adjustments to prior year encumbrances				422,705
Bond sale proceeds	14,785,096	21,245,335	25,000,000	23,680,000
Total other financing sources	<u>14,785,096</u>	<u>21,245,335</u>	<u>22,753,734</u>	<u>24,102,705</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing sources (uses)	(9,779,500)	(3,319,261)	(29,788)	4,392,325
Cash fund balance, beginning of year	<u>31,124,393</u>	<u>31,124,393</u>	<u>31,124,393</u>	<u>26,732,068</u>
Cash fund balance, end of year	<u>\$ 21,344,893</u>	<u>27,805,132</u>	<u>31,094,605</u>	<u>31,124,393</u>

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY -
 ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
 JUNE 30, 2014

	<u>2010 BUILDING 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>2013 GEN. OBLIG. BOND FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 3,465	224,373	1,133,228	5,210,680	24,960,000	31,531,746
Total Assets	<u>\$ 3,465</u>	<u>224,373</u>	<u>1,133,228</u>	<u>5,210,680</u>	<u>24,960,000</u>	<u>31,531,746</u>
 <u>LIABILITIES AND FUND EQUITY</u>						
Liabilities:						
Warrants payable	\$ 3,465	49,957	67,329	316,391	0	437,141
Fund Equity:						
Cash fund balances	<u>0</u>	<u>174,416</u>	<u>1,065,900</u>	<u>4,894,289</u>	<u>24,960,000</u>	<u>31,094,605</u>
Total Liabilities and Fund Equity	<u>\$ 3,465</u>	<u>224,373</u>	<u>1,133,228</u>	<u>5,210,680</u>	<u>24,960,000</u>	<u>31,531,746</u>

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, 2014

	2010 BUILDING BOND FUND	2011 GEN. OBLIG. BOND FUND	2012 GEN. OBLIG. BOND FUND	2013 GEN. OBLIG. BOND FUND	2014 GEN. OBLIG. BOND FUND	TOTAL
Revenues Collected:						
Local sources	\$	7,500	1,512	1,760		10,772
Total Revenue	<u>0</u>	<u>7,500</u>	<u>1,512</u>	<u>1,760</u>	<u>0</u>	<u>10,772</u>
Expenditures:						
Instruction		153,822	457,395	756,086		1,367,303
Support services	16,478	122,373	1,874,464	4,216,415	40,000	6,269,730
Operation non-instructional services			34,545	685		35,230
Facilities acquisition and const. services	500,000	1,299,223	719,845	12,602,964		15,122,032
Total expenditures	<u>516,478</u>	<u>1,575,418</u>	<u>3,086,249</u>	<u>17,576,151</u>	<u>40,000</u>	<u>22,794,295</u>
Excess of revenues collected over (under) expenditures	(516,478)	(1,567,918)	(3,084,737)	(17,574,391)	(40,000)	(22,783,523)
Other financing sources (uses):						
Operating transfers in (out)			(1,049,682)	(1,196,584)		(2,246,266)
Bond sale proceeds					25,000,000	25,000,000
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(1,049,682)</u>	<u>(1,196,584)</u>	<u>25,000,000</u>	<u>22,753,734</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing uses	(516,478)	(1,567,918)	(4,134,418)	(18,770,975)	24,960,000	(29,788)
Cash fund balances, beginning of year	<u>516,478</u>	<u>1,742,334</u>	<u>5,200,318</u>	<u>23,665,264</u>	<u>0</u>	<u>31,124,393</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>174,416</u>	<u>1,065,900</u>	<u>4,894,289</u>	<u>24,960,000</u>	<u>31,094,605</u>

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY -
 ALL FIDUCIARY FUND TYPES - REGULATORY BASIS
 JUNE 30, 2014

	EXPENDABLE TRUST FUNDS		AGENCY FUNDS	
<u>ASSETS</u>	INSURANCE RECOVERY FUND	ARBITRAGE FUND	SCHOOL ACTIVITY FUNDS	TOTAL
Cash	\$ 393,143	169,485	3,832,173	4,394,801
Total Assets	\$ 393,143	169,485	3,832,173	4,394,801
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Encumbrances	\$ 35,653			35,653
Funds held for school organizations:				
Student activity funds			2,411,881	2,411,881
Community education programs			1,420,292	1,420,292
Total liabilities	35,653	0	3,832,173	3,867,826
Fund Equity:				
Cash fund balances	357,490	169,485	0	526,975
Total Liabilities and Fund Equity	\$ 393,143	169,485	3,832,173	4,394,801

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, 2014

	GIFTS AND ENDOWMENTS FUND	MEDICAL INSURANCE FUND	ARBITRAGE FUND	WORKERS COMP FUND	INSURANCE RECOVERY FUND	TOTAL
Revenues Collected:						
Local sources	\$			548,385	577,762	1,126,147
Interest earnings			9,987			9,987
Total revenues collected	<u>0</u>	<u>0</u>	<u>9,987</u>	<u>548,385</u>	<u>577,762</u>	<u>1,136,134</u>
Expenditures:						
Support services					220,272	220,272
Other uses				671,827		671,827
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>671,827</u>	<u>220,272</u>	<u>892,100</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	0	0	9,987	(123,442)	357,490	244,035
Other financing sources (uses):						
Operating transfers in (out)	<u>0</u>	<u>(16,598)</u>	<u>0</u>	<u>123,442</u>	<u>0</u>	<u>106,844</u>
Excess of revenues collected over (under) expenditures	0	(16,598)	9,987	0	357,490	350,879
Cash fund balances, beginning of year	<u>0</u>	<u>16,598</u>	<u>159,498</u>		<u>0</u>	<u>176,096</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>0</u>	<u>169,485</u>	<u>0</u>	<u>357,490</u>	<u>526,975</u>

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, 2014

<u>ASSETS</u>	<u>BALANCE</u> 7-01-13	<u>ADDITIONS</u>	<u>NET</u> <u>TRANSFERS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> 6-30-14
Investments	\$ 3,458,362	8,303,904	0	7,930,094	3,832,173
 <u>LIABILITIES</u>					
Funds held for school organizations:					
Student Activity Funds:					
Administration:					
General administrative	\$ 283,008	0	(12,981)	47,908	222,119
Coca-Cola exclusivity	296,637	13,155	246	0	310,038
Vending commission	29,473	12,027	(16,741)	0	24,759
Administrative vending	112	0	5,000	5,076	36
Maintenance vending	1,486	0	354	1,609	230
Transportation vending	1,522	0	1,034	379	2,176
Student assistance	3,987	1,838	3	1,968	3,860
Pom & Cheer Mem. Scholarship	13	0	0	(100)	113
JPS health & fitness	32,427	10,430	28	1,927	40,958
ESY	85	0	0	0	85
Employee recognition	23	7,470	8,188	15,681	0
Administrative services	24	0	0	(119)	143
Staff development	3,093	466	(88)	1,257	2,215
JPS Foundation	1,331	0	(856)	476	0
RCK account	1,446	3,034	2	1,320	3,161
International student tuition	17,313	0	18	0	17,330
Jenks/Union elem. writers	6,082	0	6	65	6,024
Print shop	9,327	17,344	(1,842)	10,760	14,069
H.S. parking	42,768	47,320	(42,951)	6,202	40,934
Orchestra maintenance	7,906	15,921	319	21,133	3,012
S.S.A.F.E	4,821	7,275	(9)	9,947	2,140
Chromebook Insurance	0	1,722	19,470	35	21,157
Administrative hospitality	35	1,288	1	1,157	167
General properties	0	77,517	253,270	328,927	1,859
Activity interest account	36,799	1,295	(2,886)	5,190	30,019
Sub-total	<u>\$ 779,718</u>	<u>218,102</u>	<u>209,584</u>	<u>460,799</u>	<u>746,605</u>
Athletics:					
Athletics	\$ 42,567	404,240	(10,746)	386,311	49,750
Summer athletics	121,391	127,722	(63,255)	27,452	158,407
Vending commission	14,507	0	14	11,519	3,002
Pom concessions	938	45,216	(28,378)	16,093	1,684
Wrestling booster club	526	5,943	(538)	4,036	1,895
Football booster club	101,718	147,598	(25,837)	148,385	75,094
Basketball booster club	1,067	96,100	(17,217)	71,009	8,941
Pom general fund	7,907	51,633	33,854	56,949	36,444

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, 2014

	BALANCE 7-01-13	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-14
Athletics: (cont'd)					
JV Pom booster club	\$ 9,088	64,843	(3,035)	62,691	8,205
Summer baseball	7,545	26,510	(9,287)	7,523	17,245
8th grade Pom	2,060	45,049	(18,508)	26,579	2,021
Cross country booster club	7,129	19,104	(244)	14,524	11,465
HS baseball booster club	31,720	98,489	(10,239)	96,174	23,796
Girls softball booster club	10,556	28,088	(1,242)	18,512	18,890
Track booster club	7,183	8,871	(244)	9,017	6,793
JHS cheerleader booster	21,298	69,391	(44,316)	16,846	29,527
Soccer booster club	21,770	28,331	(1,667)	28,446	19,987
Freshman Pom	5,497	54,272	(14,955)	40,661	4,153
Swim booster club	17,063	39,272	(3,688)	39,267	13,379
Jenks tennis booster	1,037	20,596	(95)	12,580	8,958
Athletic training booster club	16,103	8,990	(4,382)	3,792	16,919
Girls golf booster club	8,189	9,590	321	14,488	3,611
Volleyball booster club	9,060	31,418	(136)	30,077	10,265
Jenks cheer general fund	18,283	122,966	25,912	133,222	33,938
Boys golf booster club	3,130	16,415	3,162	21,983	724
Varsity Pom booster club	5,772	88,859	7,867	85,153	17,344
Sub-total	<u>\$ 493,101</u>	<u>1,659,506</u>	<u>(186,879)</u>	<u>1,383,290</u>	<u>582,438</u>
East Elementary:					
Vending commission	\$ 525	0	346	541	330
General administrative	18,757	30,727	(106)	28,215	21,163
School store	2,452	3,923	2	5,363	1,014
Rentie Grove	2,055	0	2	0	2,058
Playground development	27,402	20,000	23	44,786	2,639
Sub-total	<u>\$ 51,191</u>	<u>54,650</u>	<u>267</u>	<u>78,904</u>	<u>27,204</u>
Southeast Elementary:					
Vending commission	\$ 1,703	0	407	(18)	2,128
General fund	32,730	34,841	(336)	40,235	27,000
Sub-total	<u>\$ 34,432</u>	<u>34,841</u>	<u>71</u>	<u>40,217</u>	<u>29,128</u>
West Elementary:					
Vending commission	\$ 829	0	635	0	1,464
Memorial fund	1,590	0	2	0	1,591
General administrative	61,811	41,086	17,452	60,083	60,266
PTAG	67,488	196,873	(18,183)	128,175	118,004
Sub-total	<u>\$ 131,718</u>	<u>237,959</u>	<u>(94)</u>	<u>188,257</u>	<u>181,325</u>
East Intermediate:					
Vending commission	\$ 923	0	245	0	1,168
General administrative	23,721	127,044	(627)	119,941	30,196
Sub-total	<u>\$ 24,644</u>	<u>127,044</u>	<u>(382)</u>	<u>119,941</u>	<u>31,364</u>

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, 2014

	BALANCE 7-01-13	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-14
West Intermediate:					
Vending commission	\$ 4,477	0	456	0	4,932
Hospitality	191	560	33	442	342
PTAG	27,612	57,706	(20,034)	54,837	10,447
West Intermediate school	69,065	23,463	9,648	30,130	72,046
West Enviromental school	3,640	27,265	10,061	35,623	5,343
Sub-total	<u>\$ 104,985</u>	<u>108,994</u>	<u>163</u>	<u>121,031</u>	<u>93,111</u>
Jenks Middle School:					
Vending commission	\$ 0	0	870	(164)	1,034
Vocal music	6,389	20,657	(123)	22,564	4,358
Leadership	2,229	11,679	(493)	12,598	817
JMS Band	10,177	36,548	1,014	33,317	14,422
NJHS	700	4,414	2	3,214	1,902
Library	189	136	(50)	139	137
General admistrative	44,020	115,594	(1,785)	99,167	58,663
Publications	3,764	29,620	(1,880)	24,559	6,946
Sub-total	<u>\$ 67,468</u>	<u>218,649</u>	<u>(2,445)</u>	<u>195,395</u>	<u>88,278</u>
Freshman Academy:					
Vending commission	\$ 7,575	0	6,498	460	13,612
FA Habitat space	0	5,997	0	4,081	1,916
Freshman class	2,593	3,508	(2,593)	2,457	1,052
General administrative	76,818	65,703	(25,152)	41,037	76,333
Sub-total	<u>\$ 86,986</u>	<u>75,208</u>	<u>(21,247)</u>	<u>48,035</u>	<u>92,913</u>
High School:					
Hospitality	\$ 190	0	0	0	190
Vending commission	22,418	0	20,420	22,665	20,173
Band vending commission	91	0	0	0	92
Work Adjustment Training	0	14,347	0	340	14,007
ROTC	3,560	5,677	959	9,410	786
US first	3,928	12,402	148	12,806	3,671
Academic bowl	1,530	9,750	1	9,879	1,402
FFA alumni	662	0	(400)	0	262
Vocal music booster club	51,309	157,247	(14,513)	125,741	68,302
Engineering Club	0	1,320	0	1,230	90
Trojan Leadership Conference	0	1,265	3,550	3,891	924
Trojan torch	429	1,036	(52)	545	869
Class of 2013 reunion	0	0	5,000	0	5,000
Jenks HS AVID	629	3,230	1	3,802	58
FCA	1,362	160	1,002	983	1,541
China cultural exchange	3,724	17,997	2	17,663	4,060

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, 2014

	BALANCE 7-01-13	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-14
High School: (cont'd)					
Basketball spirit committee	\$ 497	425	1,501	1,015	1,408
Class of 2003 reunion	5,628	0	6	0	5,633
Jenks Lacrosse	0	14,402	40	14,442	0
Anthology	10	0	0	0	11
Otaku club	127	0	0	0	127
French club	729	1,258	(299)	581	1,107
Ted Westhusing memorial	5,724	1,200	2	2,000	4,926
Club Earth	2,157	1,597	2	531	3,225
Latin club	1,083	5,757	(74)	5,861	905
I can work program	1,046	0	1	68	979
Band	1,809	2,061	7,397	8,519	2,748
Trainable mentally handicap	158	0	0	0	159
Special Olympics	159	4,898	1,001	4,299	1,759
Class of 2010 reunion	2,505	0	3	0	2,507
Chinese club	75	950	(25)	336	665
Yearbook	28,931	85,945	4,171	90,296	28,750
Orchestra parents club	9,907	30,571	(118)	27,364	12,996
Art club	3,165	6,805	1,139	9,755	1,354
Class of 2012 reunion	1,000	0	1	0	1,001
Dr. Cin Do Kham Mem Scholarship	0	0	175	0	175
DECA	3,596	36,138	(573)	27,180	11,982
FFA	3,222	49,674	(467)	50,845	1,585
Classroom volunteers	1,046	0	1	351	696
German club	589	1,133	(25)	1,274	422
JROTC parents	5,688	3,307	54	1,873	7,176
History club	731	327	1	380	680
Junior class	4,983	10,694	(1,264)	5,990	8,423
Key club	6,979	17,698	53	18,811	5,919
Math club	4,054	3,939	9	2,550	5,452
Competitive speech/debate	949	24,980	2,180	27,416	694
National honor society	5,407	1,653	(100)	1,962	4,998
Senior class	1,959	25,198	3,653	23,679	7,131
Pre-Med society	8,503	3,189	(192)	3,154	8,347
Spanish club	1,220	3,400	246	3,337	1,529
Sophomore class	3,464	3,349	128	2,374	4,567
Class of 2011 reunion	2,503	0	3	0	2,506
HS football spirit committee	1,831	7,507	1,003	7,513	2,828
Student council	15,027	40,718	(933)	34,851	19,961
Drama club	9,785	63,340	799	64,614	9,310
FCCLA	2,761	18,236	(490)	16,460	4,048
Class of 2006 reunion	269	0	0	0	269

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, 2014

	BALANCE 7-01-13	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-14
High School: (cont'd)					
Judy & J Sanders scholarship fnd	\$ 26,573	0	29	2,000	24,601
HS 6 general administrative	35,365	116,390	(30,020)	100,823	20,912
PAC - Student support service	355	0	753	613	495
Library	4,345	15,898	95	10,593	9,746
Class of 2008 reunion	2,023	0	2	0	2,025
Native American Club	552	1,232	(200)	979	606
JPS student support	2,301	0	(2,301)	0	0
Forensics Booster Club	0	7,891	(2,165)	3,674	2,052
Vocal music	13,599	83,050	10,476	84,586	22,538
HS graduation party	14,033	47,314	(7,492)	43,660	10,195
Class of 2004 reunion	5,825	1,044	6	6,874	0
American sign language	3,542	5,268	(568)	4,390	3,852
Jenks band parents concessions	35,587	73,062	(56,739)	34,026	17,885
TV studio	2,027	766	2,545	732	4,606
Jenks band parents	109,073	240,324	46,740	288,437	107,700
Art honor society	1,561	4,439	(708)	3,801	1,491
Sub-total	<u>\$ 495,872</u>	<u>1,291,460</u>	<u>(4,418)</u>	<u>1,253,825</u>	<u>529,088</u>
Alternative Center:					
Alternative center student account	\$ 2,931	12,634	3,285	12,378	6,471
Vending Commission	2,472	0	2,096	610	3,957
Sub-total	<u>\$ 5,403</u>	<u>12,634</u>	<u>5,380</u>	<u>12,989</u>	<u>10,428</u>
Total Activity Funds	<u>\$ 2,275,518</u>	<u>4,039,046</u>	<u>0</u>	<u>3,902,683</u>	<u>2,411,881</u>
Community Education	<u>\$ 1,182,844</u>	<u>4,264,858</u>	<u>0</u>	<u>4,027,411</u>	<u>1,420,291</u>
Total Liabilities	<u>\$ 3,458,362</u>	<u>8,303,904</u>	<u>0</u>	<u>7,930,094</u>	<u>3,832,173</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor / Pass Through Grantor / Program Title	CFDA Number	Federal Grantor's/ Pass-through No.	Program or Award Amount	Balance at 7/1/13	Revenue Collected	Total Expenditures	Balance at 6/30/14
<u>U.S. Department of Education :</u>							
<u>Direct Programs:</u>							
Indian Education	84.060	S060A130815	\$ 126,100		105,769	126,100	20,331
Indian Education - Note 1	84.060	S060A120815		15,869	15,869		
K-16 Chinese Grant	84.293		2,250		2,199	2,199	
K-16 Chinese Grant - Note 1	84.293			33,289	33,289		
Sub Total			<u>128,350</u>	<u>49,158</u>	<u>157,126</u>	<u>128,299</u>	<u>20,331</u>
<u>Passed Through State Department of Education:</u>							
<u>Title I Programs:</u>							
Title I	84.010		969,280		745,478	909,155	163,677
Title I - Note 1	84.010			151,489	151,489		
Title I School Support	84.010		1,934		1,934	1,934	
Title I School Support - Note 1	84.010			22,122	22,122		
<u>*Special Education Programs:</u>							
IDEA-B Flowthrough	84.027		1,938,340		1,442,300	1,830,065	387,765
IDEA-B Flowthrough - Note 1	84.027			329,824	329,824		
IDEA-B Project ECCO - Note 1	84.027			1,008	1,008		
IDEA-B Private Schools	84.027		105,390		85,319	103,347	18,028
IDEA-B Private Schools - Note 1	84.027			24,094	24,094		
IDEA-B Preschool	84.173		46,020		33,705	42,784	9,079
IDEA-B Preschool - Note 1	84.173			7,653	7,653		
IDEA-B Preschool - Private Schools	84.173		2,511		1,961	2,477	516
IDEA-B Preschool - Private Schools - Note 1	84.173			559	559		
Title II Part A	84.367		231,083		162,648	189,084	26,436
Title II Part A - Note 1	84.367			57,489	57,489		
Title II Part B	84.366		35,500		23,548	23,548	
Adult Basic Education	84.002		95,241		60,558	72,171	11,613
Adult Basic Education - Note 1	84.002			17,220	17,220		
Adult Basic Education English Literacy	84.002		7,799		7,799	7,799	
Adult Basic Education English Literacy - Note 1	84.002			1,398	1,398		
Adult Basic Education Corrections Inst.	84.002		14,929		11,400	12,671	1,271
Adult Basic Education Corrections Inst. - Note 1	84.002			5,095	5,095		
Title III Emergency Immigrant	84.365		130,751		62,119	103,279	41,160
Title III Emergency Immigrant - Note 1	84.365			47,387	47,387		
Title III Part A English Language	84.365		98,746		73,101	79,384	6,283
Title III Part A - Note 1	84.365			5,267	5,267		
Sub Total			<u>3,677,524</u>	<u>670,605</u>	<u>3,382,475</u>	<u>3,377,698</u>	<u>665,828</u>
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins Grant	84.048		73,400		40,819	69,838	29,019
Carl Perkins Grant - Note 1	84.048			8,013	8,013		
Sub Total			<u>73,400</u>	<u>8,013</u>	<u>48,832</u>	<u>69,838</u>	<u>29,019</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

<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 7/1/13</u>	<u>Revenue Collected</u>	<u>Total Expenditures</u>	<u>Balance at 6/30/14</u>
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education:</u>							
*Child Nutrition Programs:							
School Breakfast Program	10.553				254,794	254,794	
National School Lunch Program	10.555				1,567,409	1,567,409	
Sub Total					<u>1,822,203</u>	<u>1,822,203</u>	
 <u>Passed Through Department of Human Services:</u>							
*Non-cash Assistance - Commodities - Note 2							
National School Lunch Program	10.555				208,465	208,465	
 <u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130		37,920		9,211	20,180	10,969
Johnson O'Malley - Note 1	15.130			9,478	9,478		
Johnson O'Malley Carryover	15.130		18,504		18,393	18,393	
Malcom Baldrige Grant	11.609	60NANB6D6007	6,878		1,107	2,550	1,443
Malcom Baldrige Grant - Note 1	11.609			7,770	7,770		
Rehabilitation Services - OJT	84.126		670			670	670
Medicaid Resources	93.778		37,423		37,423	37,423	
JROTC - Airforce	12.397		53,658		53,658	53,658	
Sub Total			<u>155,053</u>	<u>17,248</u>	<u>137,040</u>	<u>132,874</u>	<u>13,082</u>
Total Federal Assistance			<u>\$ 4,034,327</u>	<u>745,024</u>	<u>5,756,141</u>	<u>5,739,377</u>	<u>728,260</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 \$208,465 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**

December 22, 2014

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, 2014, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 22, 2014, 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



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

December 22, 2014

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, 2014. 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, 2014.

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.



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JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
DISPOSITION OF PRIOR YEAR'S REPORTABLE CONDITIONS AND MATERIAL
INSTANCES OF NON-COMPLIANCE
JUNE 30, 2014

There were no prior year reportable conditions.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2014

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 IDEA-B Special Education Programs (84.027, 84.173) and the Child Nutrition Programs (10.553, 10.555), 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

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF STATUTORY, FIDELITY AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2014

BONDING COMPANY	POSITION COVERED	BOND NUMBER	COVERAGE AMOUNT	EFFECTIVE DATES
RLI Indemnity Company	CFO/Treasurer	LSM0477915	\$ 300,000	1/28/14-1/28/15
RLI Indemnity Company	Superintendent	LSM0623643	300,000	7/1/13-7/1/14
RLI Indemnity Company	Assistant Treasurer	LSM0623617	300,000	07/18/13 - 7/18/14
Liberty Mutual	Minutes/Board Clerk	601044832	1,000,000	11/14/13 - 11/14/14
RLI Indemnity Company	Deputy Minutes/Board Clerk	LSM0623622	10,000	5/8/14 - 5/8/15
RLI Indemnity Company	Encumbrance Clerk	LSM0623619	10,000	5/9/14 - 5/9/15
	Blanket Bond:			
RLI Indemnity Company	Community Educ. Sec.	LSM0638136	242,000	7/1/13 - 7/1/14
	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, 2013 TO JUNE 30, 2014

State of Oklahoma)
) ss
County of Tulsa)

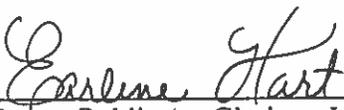
The undersigned auditing firm of lawful ages, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Jenks Public Schools for the audit year 2013-14.

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

By 
Authorized Agent

Subscribed and sworn to before me
This 22nd day of December 2014




Notary Public (or Clerk or Judge)

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