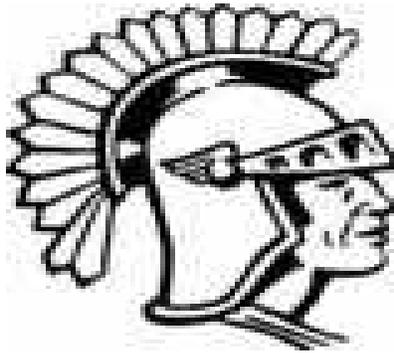


**JENKS SCHOOL DISTRICT NO. I-5
TULSA COUNTY, OKLAHOMA**

**FINANCIAL STATEMENTS
AND REPORTS OF INDEPENDENT AUDITORS**

JUNE 30, 2015



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, 2015

BOARD OF EDUCATION

President

Tracy Kennedy

Vice-President

Jon Phillips

Members

Ron Barber

Chuck Forbes

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, 2015

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JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5
TULSA COUNTY, OKLAHOMA
JUNE 30, 2015

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SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT

January 7, 2016

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, 2015, 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, as described in Note 1, to meet financial reporting requirements of the State of Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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, 2015, 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, 2015, 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

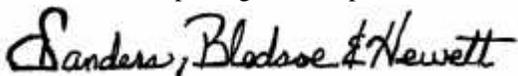
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The combining statements – regulatory basis, are presented for purposes of additional analysis and are not a required part of the basic financial 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 7 and 32 through 36, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Other Reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2016 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 Accountants, LLP

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

**Management's Discussion and Analysis
Fiscal Year Ending June 30, 2015**

Jenks Public Schools provides this discussion and analysis of the District's financial activities for the fiscal year ending June 30, 2015. 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 twelfth year the District has prepared financial statements following Governmental Accounting Standards Board (GASB) Statement No. 34 presentation.

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 2015, the District reported positive cash balances in all funds with the General Fund balance being **\$6,803,334** which is a percentage balance of 9.38% of revenue received for this fund. Per pupil revenue collections are still below the 2007-08 funding level from the State of Oklahoma. The slowdown in the energy industry has severely hampered all tax collections that go into the State's General Revenue fund. 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 District's fund balance goal. Four 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 addition 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 2015-16 with a fund balance of 8%.

Fund Balances

As of the close of Fiscal Year 2015, the District funds reported a governmental-wide ending cash fund balance of **\$53,519,912**, reflecting a decrease of **\$27,183 or 0.05%** in comparison with the prior year. The General Fund's ending balance decreased by \$339,525 due to the additional staffing that was hired to meet the need of the District's enrollment growth. Individual fund balances for the Building, Child Nutrition, Bond, and Sinking Funds increased in comparison with the prior year. The District's Sinking Fund represented the largest cash fund balance increase with a growth of **\$319,240**.

<u>Fund Type</u>	<u>2014 Fund Balance</u>	<u>2015 Fund Balance</u>	<u>Variance</u>	<u>Percent</u>
General	\$7,142,858	\$6,803,334	-\$339,525	-4.75%
Coop	\$1,208	\$0	-\$1,208	-100.00%
Building	\$450,031	\$720,650	\$270,619	60.13%
Child Nutrition	\$1,214,588	\$1,271,988	\$57,400	4.73%
Sinking	\$13,116,830	\$13,436,069	\$319,240	2.43%
Bond	\$31,094,605	\$31,264,063	\$169,458	0.54%
Other	\$526,975	\$23,808	-\$503,167	-95.48%
Total	\$53,547,096	\$53,519,912	-\$27,183	-0.05%

Fiscal Year 2014 – 2015 Summary

General Fund revenue collections for the fiscal year ending June 30, 2015, totaled **\$72,253,600**, reflecting a net gain of **\$4,158,078** from the original estimated General Fund revenue projections of **\$68,095,522** approved and adopted by the Board of Education in June 2014. 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 **\$3,501,775** over the initial adopted budget of **\$69,403,106**. 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 2014-15 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 53 of audit under summary of audit results.)

Long Term Debt

General Obligation Bonds: As of June 30, 2015, the District had \$82,545,000 in outstanding bonds and notes compared to \$80,750,000 on June 30, 2014. During the 2014-15 fiscal year, the District retired \$21,885,000 in bonds and/or notes and added \$23,680,000 in long-term debt.

<u>Fiscal Year</u>	<u>Bonds Issued</u>	<u>Outstanding</u>	<u>Final Payment</u>
2011 Series	\$19,295,000	\$4,825,000	6-01-16
2012 Series	\$22,550,000	\$11,280,000	6-01-17
2013 Series	\$23,680,000	\$17,760,000	6-01-18
2014 Series	\$25,000,000	\$25,000,000	6-01-19
2015 Series	\$23,680,000	\$23,680,000	6-01-20
Total	\$114,205,000	\$82,545,000	

Interest paid on general long-term debt during the fiscal year ending June 30, 2015, totaled \$2,407,900.

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, 2015, all projects associated with the 2009 Lease Revenue Bond have been completed with a total cost of construction of \$106,135,259.

On February 10, 2015, voters approved another Educational Facilities Lease Revenue Bond in the amount of \$83,725,000. Proceeds associated with this bond will be received during Fiscal Year 2015-16 with construction projects to begin during the same period.

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, 2015, capital assets are as follows:

	<u>Beginning</u>	<u>Increases/Decreases</u>	<u>Ending</u>
Capital Assets	\$313,026,569	\$3,283,963	\$316,310,532
Depreciation	(36,127,365)	(11,707,030)	(47,834,395)
Total Capital Assets	\$276,899,204	(8,423,067)	\$268,476,137

2015-16 Fiscal Year Forecast

The Oklahoma state legislature faced a \$600 million deficit while crafting the state’s budget for Fiscal Year 2015-16. Although Common Education was held harmless and not reduced during the budget process, future cuts are looming as year-to-date revenue collections are currently falling short of the budget estimate. Due to 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 3.85%. The District’s NAV has a five-year average growth of 2.04%.** Residential housing starts and commercial development continue within the Jenks Public School District, and student growth has increased by approximately 201 students for the 2015-16 fiscal year. Even with these challenges of a growing enrollment and limited revenue collections, the District is still projecting an ending cash fund balance of over 8%.

Although future state revenue collections continue 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 2015-16 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 an 8.0% ending fund balance for Fiscal Year 2015-16, which is the District's targeted fund balance. 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 financial decisions 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 the same amount as the previous year. With growing enrollment statewide, a flat budget actually resulted in a decrease in operational funding to school districts. 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; Appropriations for Common Education's State Aid Formula remain \$200 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 that focuses on a long term plan 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 \$900 million less to build the state's budget for FY 2016-17. 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 2014-15 fiscal year total return on investments was \$278,893. Based upon 260 working days, our District earned \$1,072 per day or \$134 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.

A handwritten signature in black ink that reads "Cody Way". The signature is written in a cursive style with a large initial 'C'.

Cody Way
Chief Financial Officer
Jenks Public Schools

INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Prior Year (Memorandum Only)</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 10,929,415	\$ 24,323,212
Investments	50,230,317	36,330,236
Total current assets	<u>61,159,732</u>	<u>60,653,448</u>
Non-current assets:		
Capital assets, net of accumulated depreciation	<u>268,476,137</u>	<u>277,621,572</u>
Total Assets	<u>329,635,869</u>	<u>338,275,020</u>
 <u>LIABILITIES</u>		
Current liabilities:		
Warrants payable	1,233,073	1,181,115
Encumbrances	6,406,747	5,925,238
Total current liabilities	<u>7,639,820</u>	<u>7,106,353</u>
Non-current liabilities:		
General obligation bonds payable	<u>82,545,000</u>	<u>80,750,000</u>
Total Liabilities	<u>90,184,820</u>	<u>87,856,353</u>
 <u>NET ASSETS</u>		
Invested in capital assets, net of related debt	185,931,137	196,871,572
Restricted for debt service	13,436,069	11,316,992
Restricted for other funds	33,280,509	
Unassigned	6,803,334	42,230,104
Total Net Assets	<u>\$ 239,451,049</u>	<u>\$ 250,418,668</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, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>TOTAL</u>
Instruction	\$ 44,573,815		2,742,457	(41,831,358)
Support services	36,386,461	3,276,301	748,951	(32,361,209)
Non-instruction services	6,992,403	1,967,188	1,963,924	(3,061,291)
Facilities acquisition and construction services	15,637,496			(15,637,496)
Other outlays	877,147		312,324	(564,823)
Interest paid on long-term debt	2,407,900			(2,407,900)
Depreciation - unallocated	11,707,030			(11,707,030)
Total governmental activities	<u>118,582,252</u>	<u>5,243,489</u>	<u>5,767,656</u>	<u>(107,571,107)</u>

General revenues-

Taxes-	
Property taxes, levied for general purposes	29,311,980
Property taxes, levied for debt services	24,188,255
Investment earnings	296,979
Other local revenue	5,407,169
County revenue	2,697,195
State aid - formula grants	29,182,157
Dedicated state revenue	5,422,670
Special items-	
Adjustments to prior year encumbrances	<u>97,084</u>
Total general revenues and special items	<u>96,603,489</u>
Change in net assets	(10,967,618)
Net assets, beginning of period	<u>250,418,668</u>
Net assets, end of period	<u>\$ 239,451,050</u>

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

INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
STATEMENT OF ASSETS, LIABILITIES AND CASH FUND BALANCES -
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Building Fund	Child Nutrition Fund	Sinking Fund	Bond Funds	Other Governmental Funds	TOTAL
<u>ASSETS</u>							
Cash	\$ 4,518,418	798,428	1,336,729	497,995	3,754,036	4,206,395	15,112,002
Investments	9,561,995			12,938,074	27,730,248		50,230,317
Total Assets	<u>\$ 14,080,413</u>	<u>798,428</u>	<u>1,336,729</u>	<u>13,436,069</u>	<u>31,484,284</u>	<u>4,206,395</u>	<u>65,342,319</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Warrants payable	\$ 976,650	13,584	22,618		220,221		1,233,073
Encumbrances	6,300,430	64,194	42,123				6,406,747
Funds held for school operations						4,182,587	4,182,587
Total Liabilities	<u>7,277,080</u>	<u>77,778</u>	<u>64,741</u>	<u>0</u>	<u>220,221</u>	<u>4,182,587</u>	<u>11,822,407</u>
Fund Balances:							
Ristricted for-							
Retirement of long-term debt				13,436,069			13,436,069
Other funds		720,650	1,271,988		31,264,063	23,808	33,280,509
Unassigned							
Unassigned, reported in-							
General fund	6,803,334						6,803,334
Total Fund Balances	<u>6,803,334</u>	<u>720,650</u>	<u>1,271,988</u>	<u>13,436,069</u>	<u>31,264,063</u>	<u>23,808</u>	<u>53,519,912</u>
Total Liabilities and Fund Balances	<u>\$ 14,080,413</u>	<u>798,428</u>	<u>1,336,729</u>	<u>13,436,069</u>	<u>31,484,284</u>	<u>4,206,395</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 \$316,310,532 and the accumulated depreciation is (\$47,834,395)							
							268,476,137
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>(82,545,000)</u>
Net Assets of Governmental Activities							<u>\$ 239,451,049</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, 2015

	General Fund	Coop Fund	Building Fund	Child Nutrition Fund	Sinking Fund	Bond Funds	Other Governmental Funds	TOTAL
Revenues Collected:								
Taxes	\$ 25,653,266		3,658,714		24,188,255			53,500,235
Local sources	2,116,799		2,032,300	1,967,188		49	616,087	6,732,423
Intermediate sources	2,697,195							2,697,195
State sources	34,287,358			317,469				34,604,827
Federal sources	3,803,732			1,963,923				5,767,656
Interest earnings	278,893		466	142	13,156		4,323	296,979
Non revenue receipts	3,416,356		50,000	7,914	410,729	33,236		3,918,235
Total revenues collected	<u>72,253,600</u>	<u>0</u>	<u>5,741,480</u>	<u>4,256,636</u>	<u>24,612,139</u>	<u>33,284</u>	<u>620,410</u>	<u>107,517,550</u>
Expenditures:								
Instruction	44,034,993		4,035			534,787		44,573,815
Support services	25,946,285		3,698,410			6,301,563	440,203	36,386,461
Operation of non-instructional services	2,772,545		250,000	3,968,464		1,394		6,992,403
Facilities acquisition and construction services			1,525,932			16,673,158		18,199,091
Other outlays:								
Debt service requirements					24,292,900			24,292,900
Reimbursement				253,242				253,242
Private nonprofit schools	113,295							113,295
Correcting entry	37,763			4,914		33,236		75,913
Other uses	0			0			434,697	434,697
Total expenditures	<u>72,904,881</u>	<u>0</u>	<u>5,478,377</u>	<u>4,226,621</u>	<u>24,292,900</u>	<u>23,544,137</u>	<u>874,901</u>	<u>131,321,817</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(651,282)	0	263,103	30,015	319,239	(23,510,853)	(254,491)	(23,804,268)
Adjustments to prior year encumbrances	<u>61,782</u>	<u>0</u>	<u>7,516</u>	<u>27,385</u>	<u>0</u>	<u>311</u>	<u>91</u>	<u>97,084</u>
Excess of revenues collected over (under) expenditures	(589,500)	0	270,619	57,400	319,239	(23,510,542)	(254,400)	(23,707,184)
Other financing sources (uses):								
Transfers in (out)	249,975	(1,208)					(248,767)	
Proceeds from sale of bonds						23,680,000		23,680,000
Total other financing sources (uses)	<u>249,975</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,680,000</u>	<u>(248,767)</u>	<u>23,680,000</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing uses	(339,525)	(1,208)	270,619	57,400	319,239	169,458	(503,167)	(27,184)
Cash fund balances, beginning of year	7,142,858	1,208	450,031	1,214,588	13,116,830	31,094,605	526,975	53,547,096
Cash fund balances, end of year	<u>\$ 6,803,334</u>	<u>0</u>	<u>720,650</u>	<u>1,271,988</u>	<u>13,436,069</u>	<u>31,264,063</u>	<u>23,808</u>	<u>53,519,912</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, 2015

Net change in fund balances - governmental funds		\$ (27,183)
<p>Amounts reported for governmental activities in the statement of revenues, expenditures, and changes in net assets are different because:</p>		
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement 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.</p>		
Capital outlay expenditures	3,412,348	
Depreciation expense	(11,707,030)	
Adjustment to beginning balance of capital assets (net of accumulated depreciation) for assets purchased prior period	(850,752)	(9,145,434)
<p>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.</p>		
		(23,680,000)
<p>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.</p>		
		21,885,000
Changes in net assets of governmental activities		\$ (10,967,618)

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF FIDUCIARY NET ASSETS -
REGULATORY BASIS
JUNE 30, 2015

	AGENCY FUNDS
<u>ASSETS</u>	SCHOOL ACTIVITY FUNDS
Cash	\$ 4,182,587
Total Assets	\$ 4,182,587
<u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Funds held for school organizations:	
Student activity funds	\$ 2,636,113
Community education programs	1,546,474
Total liabilities	\$ 4,182,587

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying 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 prescribed by the Oklahoma State Department of Education as authorized by Oklahoma Statutes. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with the accounting principles generally accepted in the United States of America. The District’s accounting policies are described in the following notes that are an integral part of the District’s financial statements.

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 five elected members. The appointed superintendent is the executive officer of the District. The Board, constituting an on-going entity, is the level of government, which has governance responsibilities over all activities, related to public elementary and secondary school education within the jurisdiction of the local independent school district. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic – but not the only – criterion for including 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

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

A. Reporting Entity – cont'd

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.

B. Measurement Focus

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.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus - cont’d

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.

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

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus - cont’d

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 2014-15 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.

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.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus - cont’d

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.

Memorandum Only - Total Column

The total column on the combined financial statements – regulatory basis 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 accounting principles generally accepted in the United States. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. Basis of Accounting and Presentation

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.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

C. Basis of Accounting and Presentation

- 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.

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.

The District prepares its budget in accordance with the Oklahoma School District Budget Act. The District's final amended budget for the 2014-15 fiscal year was \$128,621,544.

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. While the Debt Service Fund is a governmental fund, a comparison of budget to actual schedule is presented in the financial statements, although the board can exercise no control of the revenue sources for this fund (except interest earnings), and no control over its expenditures.

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

E. Assets, Liabilities and Fund Equity

Cash and cash equivalents – The District considers all cash on hand, demand deposit accounts, and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

Investments – The District considers investments of direct obligations of the United States government and agencies, certificates of deposits, savings accounts or savings certificates with maturities of greater than three months. All investments are recorded at cost, which approximates market value.

Inventories – The value of consumable inventories is not reported on the combined financial statements. At June 30, 2015, the District maintained \$256,315 of consumable inventories. This inventory is held in the District’s main warehouse and child nutrition warehouse.

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, 2015 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets	\$ 313,026,569	3,412,348	(128,385)	316,310,532
Less:				
Accumulated Depr.	(36,255,750)	(11,707,030)	128,385	(47,834,395)
Total Capital Assets	\$ 276,770,819	(8,294,682)	0	268,476,137

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

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

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 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. While the regulatory basis that is used for the Debt Service Fund approximates full accrual accounting, the accruals recorded are reported to meet regulatory requirements, as opposed to the requirements of generally accepted accounting principles.

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, 2015, the amount estimated as employee leave liability was \$3,015,262.

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. The remaining portion of such obligations is reported in the general long-term debt account group.

Fund Balance – In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints placed upon use of resources for specific purposes versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *nonspendable* (i.e., fund balance associated with assets that are not in spendable form, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund)) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

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

Amounts in the spendable fund balance category are further classified as *restricted*, *committed*, *assigned* or *unassigned*, as appropriate.

Restricted fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.

Committed fund balance represents amounts that are useable only for specific purposes by formal action of the government's highest level of decision-making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes the limitation by taking action similar to that which imposed the commitment.

Assigned fund balance represents amounts that are intended to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining spendable amounts (except negative balances) that are reported in governmental funds other than the general fund, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purposes in accordance with the provisions of the standard.

Unassigned fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

F. Revenue and Expenditures

Local Revenues – Revenue from local sources is the money generated from within the boundaries of the District and available to the District for its use. The District is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. These property taxes are distributed to the District's general, building and sinking funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1. If the first payment is not made in a timely manner, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1, of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

F. Revenue and Expenditures – cont’d

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 are 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 school districts based on information accumulated from the Districts.

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

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

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

Non-Monetary Transactions – The District receives commodities from the U.S. Department of Agriculture. The value of these commodities has been included in the Schedule of Expenditures of Federal Awards; however, they have not been included in the financial statements as either revenue or expense since they are not reported under the regulatory basis of accounting.

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

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

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

F. Revenue and Expenditures – cont’d

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

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

Interfund 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

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to the District. The District’s cash deposits and investments at June 30, 2015, were \$64,451,185, at financial institutions, and were completely insured or collateralized by federal depository insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District’s name.

Investment 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 from increasing interest rates.

Investment Credit risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal policy limiting its investment choices, other than the limitation of state law as follows:

- Direct obligations of the U.S. Government, its agencies and instrument to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

2. CASH AND INVESTMENTS – cont'd

- Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

Concentration of Investment Credit Risk – The District places no limit on the amount it may invest in any one issuer.

3. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2015.

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, 2015

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, 2015:

	Bonds Payable
Balance, July 1, 2014	\$ 80,750,000
Additions	23,680,000
Retirements	(21,885,000)
Balance, June 30, 2015	\$ 82,545,000

A brief description of the outstanding long-term debt at June 30, 2015, is set forth below:

	<u>Amount Outstanding</u>
<u>General Obligation Bonds:</u>	
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	\$ 4,825,000
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	11,280,000
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	17,760,000
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
Combined Purpose Bonds, Series 2015, original issue \$23,680,000, interest rate of 2.00%, due in annual installments of \$5,900,000, final payment of \$5,980,000 due 6-01-20	23,680,000
Total	\$ 82,545,000

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

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
2016	\$ 22,635,000	2,821,250	25,456,250
2017	23,710,000	1,911,000	25,621,000
2018	18,070,000	1,124,000	19,194,000
2019	12,150,000	562,600	12,712,600
2020	5,980,000	119,600	6,099,600
Total	<u>\$ 82,545,000</u>	<u>6,538,450</u>	<u>89,083,450</u>

Interest paid on general long-term debt during the 2014-15 fiscal year totaled \$3,532,900.

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 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.

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

5. EMPLOYEE RETIREMENT SYSTEM – cont'd

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 2014-15 fiscal year, the District contributed 9.5% and the State of Oklahoma contributed the remaining amount during the year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, if a member's salary is paid in part by federal or private funds, the contribution on that portion of the salary paid by those funds must be matched by the District at 5.12%.

Annual Pension Cost

The District's total contributions for 2015, 2014 and 2013 were \$6,930,575 \$6,591,403 and \$6,039,436, respectively. Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2015. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Please visit www.ok.gov/TRS for all plan information.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employers who participate in a pension plan, such as the System, and who prepare published financial statements on an accrual basis using Generally Accepted Accounting Principles. Since the District does not prepare and present their financial statements on an accrual basis, the net pension amount is not required to be presented on the audited financial statements. The amount of calculated pension liability for the District at June 30, 2014 (the latest information available) was \$55,380,882.

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

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2015

6. LEASE REVENUE BONDS – cont’d

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.

As of June 30, 2015, approximately \$106,135,259 has been paid out for construction costs and all projects associated with these revenue bonds are complete.

The future lease payments will be as follows:

Fiscal Year	Payment
2015-16	\$ 12,180,000
2016-17	12,180,000
2017-18	12,180,000
2018-19	12,180,000
2019-20	12,180,000
Total Obligation	\$ 60,900,000
Less amounts representing interest	(9,248,800)
Lease Purchase Payable	\$ 51,651,200

7. RISK MANAGEMENT

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.

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

8. CONTINGENCIES

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.

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2014-15 fiscal year. The revised OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations, established uniform audit requirements for nonfederal entities which expended more than \$500,000 in federal awards.

Litigation

The District's management has 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 January 7, 2016 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, 2015

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 28,859,115	29,491,464	27,770,066	26,069,385
Intermediate sources	2,772,122	2,768,053	2,697,195	2,651,745
State sources	32,485,106	34,032,393	34,287,358	32,086,724
Federal sources	3,754,179	3,769,445	3,803,732	3,701,925
Interest earnings	225,000	250,000	278,893	250,858
Non-revenue receipts		183,800	3,416,356	2,999,336
Total revenues collected	68,095,522	70,495,155	72,253,600	67,759,973
Expenditures:				
Instruction	41,245,753	44,435,992	44,034,993	41,870,015
Support services	25,232,967	25,560,814	25,946,285	24,133,125
Operation of non-instructional services	2,765,565	2,777,246	2,772,545	2,676,566
Other outlays:				
Private nonprofit schools	150,693	150,963	113,295	108,541
Correcting entry			37,763	21,032
Other Uses				8,128
Bank charges	8,128			17,964
Total expenditures	69,403,106	72,925,015	72,904,881	68,835,370
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(1,307,584)	(2,429,860)	(651,281)	(1,075,398)
Other financing sources (uses):				
Operating transfers in (out)	0	301,208	249,975	(123,442)
Adjustments to prior year encumbrances	85,155	61,146	61,782	83,756
Total other financing sources (uses)	85,155	362,354	311,757	(39,686)
Excess of revenues collected over (under) expenditures	(1,222,429)	(2,067,506)	(339,524)	(1,115,084)
Cash fund balance, beginning of year	7,142,858	7,142,858	7,142,858	8,257,943
Cash fund balance, end of year	\$ 5,920,429	5,075,352	6,803,334	7,142,858

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 BUILDING FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 3,674,841	3,716,879	5,691,014	3,661,723
Intermediate sources	250			
Interest earnings		149	466	303
Non-revenue receipts	250,000	250,000	50,000	300,000
Total revenues collected	<u>3,925,091</u>	<u>3,967,028</u>	<u>5,741,480</u>	<u>3,962,026</u>
Expenditures:				
Instruction	4,000	4,000	4,035	6,445
Support services	4,104,000	4,204,000	3,698,410	4,146,696
Operations of non-instructional services			250,000	
Facilities acquisition and construction services			1,525,932	20,400
Total expenditures	<u>4,108,000</u>	<u>4,208,000</u>	<u>5,478,377</u>	<u>4,173,541</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(182,909)	(240,972)	263,103	(211,515)
Other financing sources (uses):				
Adjustments to prior year encumbrances	<u>16,516</u>	<u>7,516</u>	<u>7,516</u>	<u>16,062</u>
Excess of revenues collected over (under) expenditures	(166,393)	(233,456)	270,619	(195,454)
Cash fund balance, beginning of year	<u>450,031</u>	<u>450,031</u>	<u>450,031</u>	<u>645,485</u>
Cash fund balance, end of year	<u>\$ 283,638</u>	<u>216,575</u>	<u>720,650</u>	<u>450,031</u>

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 CHILD NUTRITION FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 2,024,950	2,042,908	1,969,765	1,988,030
State sources	265,000	265,000	317,469	315,002
Federal sources	1,876,498	1,876,498	1,963,923	1,822,203
Interest earnings	1,132	1,132	142	589
Non-revenue receipts		1,741	5,337	5,120
Total revenues collected	<u>4,167,580</u>	<u>4,187,279</u>	<u>4,256,636</u>	<u>4,130,944</u>
Expenditures:				
Operation of non-instructional services	4,119,775	4,252,492	3,968,464	3,859,754
Other outlays:				
Reimbursement	106,500	255,000	258,157	306,472
Total expenditures	<u>4,226,275</u>	<u>4,507,492</u>	<u>4,226,621</u>	<u>4,166,226</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(58,695)	(320,213)	30,015	(35,282)
Other financing sources (uses):				
Adjustments to prior year encumbrances	27,813	27,378	27,385	3,614
Total other financing sources (uses)	<u>27,813</u>	<u>27,378</u>	<u>27,385</u>	<u>3,614</u>
Excess of revenues collected over (under) expenditures	(30,882)	(292,835)	57,400	(31,669)
Cash fund balance, beginning of year	<u>1,214,588</u>	<u>1,214,588</u>	<u>1,214,588</u>	<u>1,246,257</u>
Cash fund balance, end of year	<u>\$ 1,183,706</u>	<u>921,753</u>	<u>1,271,988</u>	<u>1,214,588</u>

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 SINKING FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 23,816,906	23,816,906	24,188,254	23,517,837
Interest earnings			13,156	
Non-revenue receipts	650,000	650,000	410,729	698,250
Total revenues collected	<u>24,466,906</u>	<u>24,466,906</u>	<u>24,612,139</u>	<u>24,216,087</u>
Requirements:				
Judgements	500,000	500,000		2,297,577
Bonds	21,885,000	21,885,000	21,885,000	21,205,000
Coupons	2,407,900	2,407,900	2,407,900	2,719,225
Total expenditures	<u>24,792,900</u>	<u>24,792,900</u>	<u>24,292,900</u>	<u>26,221,802</u>
Excess of revenue collected over (under) expenditures before other financing sources	(325,994)	(325,994)	319,239	(2,005,715)
Other financing sources (uses):				
Operating transfers in (out)				2,246,266
Total other financing sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,246,266</u>
Excess of revenue collected over (under) expenditures	(325,994)	(325,994)	319,239	240,550
Cash fund balance, beginning of year	<u>13,116,830</u>	<u>13,116,830</u>	<u>13,116,830</u>	<u>12,876,279</u>
Cash fund balance, end of year	<u>\$ 12,790,836</u>	<u>12,790,836</u>	<u>13,436,069</u>	<u>13,116,830</u>

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 BOND FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues collected:				
Local collections	\$		49	10,772
Non revenue receipts			33,236	
Total revenues	<u>0</u>	<u>0</u>	<u>33,284</u>	<u>10,772</u>
Expenditures:				
Instruction	1,450,000	1,450,000	534,787	1,367,303
Support services	5,505,000	5,505,000	6,301,563	6,269,730
Operation non-instructional services			1,394	35,230
Facilities acquisition & construction services	17,325,286	17,325,286	16,673,158	15,122,032
Other Outlays - Correcting Entry			33,236	
Total expenditures	<u>24,280,286</u>	<u>24,280,286</u>	<u>23,544,137</u>	<u>22,794,295</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(24,280,286)	(24,280,286)	(23,510,853)	(22,783,523)
Adjustments to prior year encumbrances	<u>0</u>	<u>0</u>	<u>311</u>	<u>0</u>
Excess of revenues collected over (under) expenditures before other financing sources	(24,280,286)	(24,280,286)	(23,510,542)	(22,783,523)
Other financing sources (uses)				
Operating transfers in (out)				(2,246,266)
Bond sale proceeds	23,382,465	23,382,465	23,680,000	25,000,000
Total other financing sources	<u>23,382,465</u>	<u>23,382,465</u>	<u>23,680,000</u>	<u>22,753,734</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing sources (uses)	(897,821)	(897,821)	169,458	(29,788)
Cash fund balance, beginning of year	<u>31,094,605</u>	<u>31,094,605</u>	<u>31,094,605</u>	<u>31,124,393</u>
Cash fund balance, end of year	<u>\$ 30,196,784</u>	<u>30,196,784</u>	<u>31,264,063</u>	<u>31,094,605</u>

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
 JUNE 30, 2015

	<u>2012</u> GEN. OBLIG. BOND FUND	<u>2013</u> GEN. OBLIG. BOND FUND	<u>2014</u> GEN. OBLIG. BOND FUND	<u>2015</u> GEN. OBLIG. BOND FUND	<u>TOTAL</u>
<u>ASSETS</u>					
Cash and Investments	\$ 412,153	2,026,652	5,407,203	23,638,277	31,484,284
Total Assets	<u>412,153</u>	<u>2,026,652</u>	<u>5,407,203</u>	<u>23,638,277</u>	<u>31,484,284</u>
 <u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Warrants payable	\$ 17,598	32,580	110,612	59,430	220,221
Fund Balance:					
Restricted	<u>394,554</u>	<u>1,994,072</u>	<u>5,296,591</u>	<u>23,578,847</u>	<u>31,264,063</u>
Total Liabilities and Fund Balance	<u>\$ 412,153</u>	<u>2,026,652</u>	<u>5,407,203</u>	<u>23,638,277</u>	<u>31,484,284</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, 2015

	2011 BUILDING BOND FUND	2012 GEN. OBLIG. BOND FUND	2013 GEN. OBLIG. BOND FUND	2014 GEN. OBLIG. BOND FUND	2015 GEN. OBLIG. BOND FUND	TOTAL
Revenues Collected:						
Local sources	\$	49				49
Non receipt sources			52	33,184		33,236
Total Revenue	<u>0</u>	<u>49</u>	<u>52</u>	<u>33,184</u>	<u>0</u>	<u>33,284</u>
Expenditures:						
Instruction	200	168,777	52,808	313,001		534,787
Support services	4,479	298,921	1,081,703	4,834,294	82,166	6,301,563
Operation non-instructional services		1,394				1,394
Facilities acquisition and const. services	169,737	202,302	1,766,017	14,516,114	18,988	16,673,158
Other Outlays - Correcting Entry			52	33,184		33,236
Total expenditures	<u>174,416</u>	<u>671,394</u>	<u>2,900,528</u>	<u>19,696,593</u>	<u>101,154</u>	<u>23,544,137</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(174,416)	(671,345)	(2,900,476)	(19,663,409)	(101,154)	(23,510,801)
Adjustments to prior year encumbrances	<u>0</u>	<u>0</u>	<u>311</u>	<u>0</u>	<u>0</u>	<u>311</u>
Excess of revenues collected over (under) expenditures	(174,416)	(671,345)	(2,900,166)	(19,663,409)	(101,154)	(23,510,542)
Other financing sources (uses):						
Bond sale proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,680,000</u>	<u>23,680,000</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing uses	(174,416)	(671,345)	(2,900,166)	(19,663,409)	23,578,847	169,458
Cash fund balances, beginning of year	<u>174,416</u>	<u>1,065,900</u>	<u>4,894,289</u>	<u>24,960,000</u>	<u>0</u>	<u>31,094,605</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>394,554</u>	<u>1,994,123</u>	<u>5,296,591</u>	<u>23,578,847</u>	<u>31,264,063</u>

INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL FIDUCIARY FUND TYPES - REGULATORY BASIS
 JUNE 30, 2015

	<u>EXPENDABLE TRUST FUNDS</u>	<u>AGENCY FUNDS</u>	
<u>ASSETS</u>	<u>ARBITRAGE FUND</u>	<u>SCHOOL ACTIVITY FUNDS</u>	<u>TOTAL</u>
Cash & Investments	\$ 23,808	4,182,587	4,206,395
Total Assets	<u>\$ 23,808</u>	<u>4,182,587</u>	<u>4,206,395</u>
 <u>LIABILITIES AND FUND BALANCE</u> 			
Liabilities:			
Funds held for school organizations:			
Student activity funds	\$	2,636,113	2,636,113
Community education programs		1,546,474	1,546,474
Total liabilities	<u>0</u>	<u>4,182,587</u>	<u>4,182,587</u>
Fund Balances:			
Restricted	<u>23,808</u>	<u>0</u>	<u>23,808</u>
Total Liabilities and Fund Balance	<u>\$ 23,808</u>	<u>4,182,587</u>	<u>4,206,395</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, 2015

<u>ASSETS</u>	<u>BALANCE</u> 7-01-14	<u>ADDITIONS</u>	<u>NET</u> <u>TRANSFERS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> 6-30-15
Cash & Investments	\$ 3,832,172	8,840,171	190	8,489,946	4,182,587
 <u>LIABILITIES</u>					
Funds held for school organizations:					
Student Activity Funds:					
Administration:					
General administrative	\$ 222,119	0	(30,086)	55,793	136,240
Coca-Cola exclusivity	310,038	51,862	0	0	361,900
Vending commission	24,759	14,531	(28,000)	0	11,290
Administrative vending	36	0	5,412	4,627	821
Maintenance vending	230	0	1,498	425	1,304
Transportation vending	2,176	0	1,204	636	2,744
Student assistance	3,860	2,143	0	500	5,504
Pom & Cheer Mem. Scholarship	113	0	0	0	113
JPS health & fitness	40,958	9,675	0	23,405	27,227
ESY	85	0	0	0	85
Employee recognition	0	2,535	25,000	21,261	6,274
Administrative services	143	0	(143)	0	0
Staff development	2,215	251	262	795	1,934
RCK account	3,161	6,576	809	8,777	1,769
International student tuition	17,330	0	0	0	17,330
Jenks/Union elem. writers	6,024	75	0	1,391	4,708
Print shop	14,069	14,919	5,373	19,990	14,371
H.S. parking	40,934	48,595	(42,500)	7,128	39,901
Orchestra maintenance	3,012	10,891	1,450	5,010	10,344
S.S.A.F.E	2,140	8,041	0	9,411	770
Chromebook Insurance	21,157	87,372	0	18,162	90,367
Administrative hospitality	167	855	(12)	790	220
General properties	1,859	59,083	364,074	423,375	1,641
Activiy interest account	30,019	317	(3,375)	52	26,908
Sub-total	<u>\$ 746,605</u>	<u>317,723</u>	<u>300,966</u>	<u>601,528</u>	<u>763,765</u>
Athletics:					
Athletics	\$ 49,750	403,411	(48,642)	355,644	48,875
Summer athletics	158,407	144,798	(88,171)	34,929	180,105
Vending commission	3,002	0	0	0	3,002
Pom concessions	1,684	45,576	(26,425)	19,108	1,727
Wrestling booster club	1,895	18,429	(5,442)	6,906	7,976
Football booster club	75,094	165,802	(27,238)	137,372	76,287
Basketball booster club	8,941	87,950	(17,379)	64,737	14,775
Pom general fund	36,444	46,375	(1,443)	51,984	29,393
JV Pom booster club	8,205	65,957	12,295	78,253	8,204
Summer baseball	17,245	29,949	(10,615)	12,653	23,926
8th grade Pom	2,021	42,069	(11,651)	30,309	2,130
Cross country booster club	11,465	26,449	0	19,950	17,964
HS baseball booster club	23,796	79,522	(10,562)	70,609	22,146
Girls softball booster club	18,890	16,818	(2,000)	14,085	19,623

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, 2015

	BALANCE 7-01-14	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-15
Athletics: (cont'd)					
Track booster club	\$ 6,793	10,213	0	9,829	7,177
JHS cheerleader booster	29,527	72,124	(37,246)	42,234	22,172
Soccer booster club	19,987	28,328	1,621	34,584	15,352
Freshman Pom	4,153	55,122	(10,267)	41,302	7,705
Swim booster club	13,379	37,237	622	32,011	19,227
Jenks tennis booster	8,958	22,982	710	21,540	11,109
Athletic training booster club	16,919	8,250	(225)	4,974	19,970
Girls golf booster club	3,611	7,800	2,437	5,882	7,966
Volleyball booster club	10,265	54,201	(823)	45,674	17,969
Jenks cheer general fund	33,938	113,650	15,989	138,420	25,157
Boys golf booster club	724	29,151	(1,753)	21,582	6,540
Varsity Pom booster club	17,344	89,679	17,561	113,075	11,510
Sub-total	<u>\$ 582,438</u>	<u>1,701,841</u>	<u>(248,645)</u>	<u>1,407,645</u>	<u>627,989</u>
East Elementary:					
Vending commission	\$ 330	0	344	206	468
General administrative	21,163	51,111	(633)	33,712	37,930
School store	1,014	2,067	0	2,543	538
Rentie Grove	2,058	0	0	0	2,058
Playground development	2,639	20,000	0	124	22,516
Sub-total	<u>\$ 27,204</u>	<u>73,178</u>	<u>(288)</u>	<u>36,585</u>	<u>63,509</u>
Southeast Elementary:					
Vending commission	\$ 2,128	0	26	330	1,824
General fund	27,000	41,640	(621)	52,491	15,528
Sub-total	<u>\$ 29,128</u>	<u>41,640</u>	<u>(595)</u>	<u>52,821</u>	<u>17,352</u>
West Elementary:					
Vending commission	\$ 1,464	0	582	0	2,046
Memorial fund	1,591	0	0	0	1,591
General administrative	60,266	48,654	34,807	72,768	70,959
PTAG	118,004	199,351	(36,732)	148,144	132,478
Sub-total	<u>\$ 181,325</u>	<u>248,005</u>	<u>(1,343)</u>	<u>220,913</u>	<u>207,075</u>
East Intermediate:					
Vending commission	\$ 1,168	0	232	0	1,401
General administrative	30,196	115,811	(226)	114,205	31,576
Sub-total	<u>\$ 31,364</u>	<u>115,811</u>	<u>6</u>	<u>114,205</u>	<u>32,977</u>
West Intermediate:					
Vending commission	\$ 4,932	0	(2,582)	54	2,296
Hospitality	342	0	0	117	225
PTAG	10,447	78,292	(23,269)	57,014	8,455
West Intermediate school	72,046	24,757	2,332	24,659	74,476
West Environmental school	5,343	28,947	20,500	36,496	18,294
Sub-total	<u>\$ 93,111</u>	<u>131,995</u>	<u>(3,019)</u>	<u>118,340</u>	<u>103,747</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, 2015

	BALANCE 7-01-14	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-15
Jenks Middle School:					
Vending commission	\$ 1,033	0	168	175	1,026
Vocal music	4,358	17,301	100	20,155	1,604
Leadership	817	19,825	(1,421)	18,179	1,042
JMS Band	14,422	34,619	(6,738)	37,576	4,727
NJHS	1,902	14,133	(549)	7,053	8,432
Library	137	1,657	(54)	1,054	686
General administrative	58,663	89,603	(3,491)	84,746	60,029
Publications	6,946	19,659	(1,943)	18,774	5,888
Sub-total	<u>\$ 88,278</u>	<u>196,797</u>	<u>(13,929)</u>	<u>187,713</u>	<u>83,434</u>
Freshman Academy:					
Vending commission	\$ 13,612	0	4,069	9,476	8,205
FA Habitat space	1,916	0	0	1,212	704
Freshman class	1,052	0	(1,014)	0	38
General administrative	76,333	48,182	(6,689)	48,727	69,099
Sub-total	<u>\$ 92,913</u>	<u>48,182</u>	<u>(3,634)</u>	<u>59,415</u>	<u>78,046</u>
High School:					
Hospitality	\$ 190	0	0	0	190
Vending commission	20,173	56	17,761	25,986	12,004
Band vending commission	92	0	0	21	71
Work Adjustment Training	14,007	0	0	2,826	11,181
ROTC	786	3,452	1,522	2,851	2,909
US first	3,671	16,887	(122)	13,804	6,633
Earl Pregler Memorial Scholarship	0	80	0	0	80
Academic bowl	1,402	15,201	150	7,595	9,157
FFA alumni	262	0	0	154	108
Vocal music booster club	68,302	236,762	(6,918)	256,793	41,353
Engineering Club	90	0	0	0	90
Trojan Leadership Conference	924	1,537	4,088	4,819	1,730
Trojan torch	869	668	125	1,612	50
Class of 2013 reunion	5,000	0	0	0	5,000
Jenks HS AVID	58	2,838	175	2,510	561
FCA	1,541	0	1,000	842	1,700
China cultural exchange	4,060	5,180	0	7,640	1,600
Basketball spirit committee	1,408	264	500	1,361	811
Class of 2003 reunion	5,633	0	(5,633)	0	0
JHS PTAG	0	34,866	(17,732)	4,411	12,723
JHS PTAG Care &n Concern	0	2,697	891	2,412	1,177
Anthology	11	0	0	0	11
Otaku club	127	0	(127)	0	0
French club	1,107	815	(175)	1,502	245
Ted Westhusing memorial	4,926	0	0	1,000	3,926
Club Earth	3,225	270	0	1,273	2,222
Latin club	905	3,578	695	4,051	1,127
I can work program	979	0	12	90	901
Band	2,748	1,068	10,965	5,825	8,956

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, 2015

	BALANCE 7-01-14	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-15
High School: (cont'd)					
Trainable mentally handicap	\$ 159	0	0	0	159
Special Olympics	1,759	7,784	790	9,261	1,072
Class of 2010 reunion	2,507	0	0	0	2,507
Chinese club	665	1,240	0	65	1,839
Yearbook	28,750	79,553	3,880	84,676	27,506
Orchestra parents club	12,996	12,675	(180)	11,216	14,276
Art club	1,354	9,583	(17)	8,913	2,007
Trojan Link	0	730	0	127	604
Class of 2012 reunion	1,001	0	0	0	1,001
Dr. Cin Do Kham Mem Scholarship	175	484	(16)	644	0
DECA	11,982	69,122	(158)	72,575	8,370
FFA	1,585	87,475	0	81,127	7,933
Classroom volunteers	696	0	0	310	385
German club	422	745	0	903	264
JROTC parents	7,176	235	(150)	545	6,716
History club	680	292	0	263	708
Junior class	8,423	7,250	(4,031)	3,564	8,078
Key club	5,919	17,331	(350)	19,171	3,729
Math club	5,452	4,000	122	6,738	2,835
Competitive speech/debate	694	32,443	(489)	32,052	595
National honor society	4,998	1,970	(291)	2,344	4,334
Senior class	7,131	31,905	8,160	28,503	18,694
Pre-Med society	8,347	2,253	(300)	1,650	8,650
Spanish club	1,529	4,102	(208)	5,109	314
Sophomore class	4,567	5,351	(3,252)	1,736	4,930
Class of 2011 reunion	2,506	0	0	0	2,506
HS football spirit committee	2,828	6,313	0	6,833	2,307
Student council	19,961	44,171	(112)	40,930	23,090
Drama club	9,310	68,125	1,094	65,446	13,083
FCCLA	4,048	12,753	(413)	15,546	842
Class of 2006 reunion	269	0	(269)	0	0
Judy & J Sanders scholarship fnd	24,601	0	0	2,000	22,601
HS 6 general administrative	20,912	111,367	(42,225)	78,817	11,236
PAC - Student support service	495	0	180	502	173
Library	9,746	17,125	0	17,457	9,414
Class of 2008 reunion	2,025	0	0	0	2,025
Native American Club	606	1,659	(16)	1,475	774
Forensics Booster Club	2,052	5,345	(500)	4,779	2,117
Vocal music	22,538	93,293	3,217	115,585	3,463
JHS Multicultural Club	0	1,085	16	764	337
STEM	0	1,000	(18)	315	668
Spanish Honor Society	0	975	0	0	975
HS graduation party	10,195	45,395	6,190	45,206	16,574
Class of 2004 reunion	0	0	0	0	0
Class of 2014 reunion	0	0	1,000	0	1,000
American sign language	3,852	2,342	(320)	3,569	2,306
Jenks band parents concessions	17,885	74,859	(51,874)	24,389	16,480
TV studio	4,606	1,495	3,915	2,833	7,183
Jenks band parents	107,700	552,282	34,063	447,610	246,434
Art honor society	1,491	1,117	(104)	640	1,865
Sub-total	<u>\$ 529,088</u>	<u>1,743,442</u>	<u>(35,491)</u>	<u>1,595,567</u>	<u>641,472</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, 2015

	<u>BALANCE</u> 7-01-14	<u>ADDITIONS</u>	<u>NET</u> <u>TRANSFERS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> 6-30-15
Alternative Center:					
Alternative center student account	\$ 6,471	16,436	4,591	14,992	12,506
Vending Commission	3,957	0	1,571	1,286	4,242
Sub-total	<u>\$ 10,428</u>	<u>16,436</u>	<u>6,161</u>	<u>16,278</u>	<u>16,748</u>
 Total Activity Funds	 <u>\$ 2,411,881</u>	 <u>4,635,050</u>	 <u>190</u>	 <u>4,411,008</u>	 <u>2,636,113</u>
 Community Education	 <u>\$ 1,420,291</u>	 <u>4,205,121</u>	 <u>0</u>	 <u>4,078,938</u>	 <u>1,546,474</u>
 Total Liabilities	 <u><u>\$ 3,832,172</u></u>	 <u><u>8,840,171</u></u>	 <u><u>190</u></u>	 <u><u>8,489,946</u></u>	 <u><u>4,182,587</u></u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

<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 7/1/14</u>	<u>Revenue Collected</u>	<u>Total Expenditures</u>	<u>Balance at 6/30/15</u>
<u>U.S. Department of Education :</u>							
<u>Direct Programs:</u>							
Indian Education	84.060	S060A140815	\$ 128,887		103,220	128,887	25,667
Indian Education - Note 1	84.060	S060A130815		20,331	20,331		
Sub Total			<u>128,887</u>	<u>20,331</u>	<u>123,551</u>	<u>128,887</u>	<u>25,667</u>
<u>Passed Through State Department of Education:</u>							
<u>*Title I Programs:</u>							
Title I	84.010		1,092,157		784,378	964,657	180,279
Title I - Note 1	84.010			163,676	163,676		
<u>Special Education Programs:</u>							
IDEA-B Flowthrough	84.027		2,078,251		1,590,363	1,996,898	406,535
IDEA-B Flowthrough - Note 1	84.027			387,765	387,765		
IDEA-B Private Schools	84.027		99,353		70,888	89,740	18,852
IDEA-B Private Schools - Note 1	84.027			18,028	18,028		
IDEA-B Preschool	84.173		44,908		36,239	44,908	8,669
IDEA-B Preschool - Note 1	84.173			9,080	9,080		
IDEA-B Preschool - Private Schools	84.173		2,092		1,693	2,080	387
IDEA-B Preschool - Private Schools - Note 1	84.173			516	516		
Title II Part A	84.367		249,695		180,518	207,419	26,901
Title II Part A - Note 1	84.367			26,436	26,436		
Adult Basic Education - Note 1	84.002			11,613	11,613		
Adult Basic Education Corrections Inst.- Note 1	84.002			1,271	1,271		
Title III Emergency Immigrant	84.365		152,617		35,005	73,700	38,695
Title III Emergency Immigrant - Note 1	84.365			41,160	41,160		
Title III Part A English Language	84.365		110,073		71,763	89,370	17,607
Title III Part A - Note 1	84.365			6,283	6,283		
Sub Total			<u>3,829,146</u>	<u>665,828</u>	<u>3,436,675</u>	<u>3,468,772</u>	<u>697,925</u>
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins Grant	84.048		62,897		57,427	59,363	1,936
Carl Perkins Grant - Note 1	84.048			29,019	29,019		
Sub Total			<u>62,897</u>	<u>29,019</u>	<u>86,446</u>	<u>59,363</u>	<u>1,936</u>
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education:</u>							
<u>*Child Nutrition Programs:</u>							
School Breakfast Program	10.553				283,367	283,367	
National School Lunch Program	10.555				1,680,556	1,680,556	
Sub Total					<u>1,963,923</u>	<u>1,963,923</u>	
<u>Passed Through Department of Human Services:</u>							
<u>*Non-cash Assistance - Commodities - Note 2</u>							
National School Lunch Program	10.555				261,890	261,890	

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

<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 7/1/14</u>	<u>Revenue Collected</u>	<u>Total Expenditures</u>	<u>Balance at 6/30/15</u>
<u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130		39,600		10,264	34,853	24,589
Johnson O'Malley - Note 1	15.130			10,969	10,969		
Johnson O'Malley Carryover	15.130		17,740		17,740	17,740	
Malcom Baldrige Grant	11.609	60NANB6D6007	4,337		1,501	2,672	1,171
Malcom Baldrige Grant - Note 1	11.609			1,444	1,444		
Rehabilitation Services - OJT	84.126		255			255	255
Flood Control	12.112		47		47		
Medicaid Resources	93.778		61,464		61,464	61,464	
JROTC - Airforce	12.397		53,631		53,631	53,631	
Sub Total			<u>177,074</u>	<u>12,413</u>	<u>157,060</u>	<u>170,615</u>	<u>26,015</u>
Total Federal Assistance			<u>\$ 4,198,004</u>	<u>727,591</u>	<u>6,029,545</u>	<u>6,053,450</u>	<u>751,543</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 \$261,890 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**

January 7, 2016

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, 2015, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated January 7, 2016, 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. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

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 agreements, non-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 Accountants, LLP



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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

January 7, 2016

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, 2015. 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, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2015.

Report on Internal Control Over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
DISPOSITION OF PRIOR YEAR'S REPORTABLE CONDITIONS AND MATERIAL
INSTANCES OF NON-COMPLIANCE
JUNE 30, 2015

There were no prior year reportable conditions.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2015

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 Child Nutrition Programs (10.553, 10.555), which were clustered in determination, and the Title I Program (84.010), which was not clustered.
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, 2015

BONDING COMPANY	POSITION COVERED	BOND NUMBER	COVERAGE AMOUNT	EFFECTIVE DATES
RLI Indemnity Company	CFO/Treasurer	LSM0477915	\$ 300,000	1/28/15-1/28/16
RLI Indemnity Company	Superintendent	LSM0623643	300,000	7/1/14-7/1/15
RLI Indemnity Company	Assistant Treasurer	LSM0623617	300,000	07/18/14 - 7/18/15
Liberty Mutual	Minutes/Board Clerk	601044832	1,000	11/14/14 - 11/14/15
RLI Indemnity Company	Deputy Minutes/Board Clerk	LSM0623622	10,000	5/13/15 - 5/13/16
RLI Indemnity Company	Encumbrance Clerk	LSM0623619	10,000	5/9/15 - 5/9/16
RLI Indemnity Company	Blanket Public Official Position Bond:	LSM0638136	272,000	7/1/14 - 7/1/15
	Activity Fund Custodian			
	Asst Dir of Child Nutrition			
	Activity Fund Courier			
	Teller Community Ed			
	Child Nutrition Clk/Enc Clk			
	Cafeteria Site Managers			
	Child Nutrition Director			
	Activity Fund Clerk			
	Cafeteria Mang Level 2			

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE
AFFIDAVIT
JULY 1, 2014 TO JUNE 30, 2015

State of Oklahoma)
) ss
County of Tulsa)

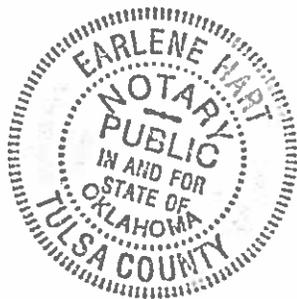
The undersigned auditing firm of lawful ages, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Jenks Public Schools for the audit year 2014-15.

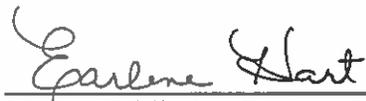
Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP
Auditing Firm

By 

Authorized Agent

Subscribed and sworn to before me
This 7th day of January 2016





Notary Public (or Clerk or Judge)

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



SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Stephen H. Sanders, CPA
Eric M. Bledsoe, CPA
Jeffrey D. Hewett, CPA

P.O. BOX 1310 • 101 N. MAIN ST. • BROKEN ARROW, OK 74013 • (918) 449-9991 • (800) 522-3831 • FAX (918) 449-9779

January 7, 2016

Mr. Cody Way,
Chief Financial Officer
Jenks Public Schools
205 East B Street
Jenks, Oklahoma 74037-3906

Dear Mr. Way:

Listed below are the observations and recommendations from the final audit work we performed for you. Please review them very carefully, along with the review copy of your audit report. If you have questions or desire additional information, please call us so that any discrepancies may be resolved.

The following section contains the observations relayed to management that are control deficiencies, which we feel need to be communicated to you so appropriate action may be taken to correct these deficiencies. These items are not included in your audit report, as they are not considered material or immaterial in nature. They are simply observations of some minor findings that could evolve into immaterial or material findings if not addressed or corrected.

Travel Expenses

We noted some meal reimbursements to employees did not always list all the persons in attendance at the meal, and an indication that the meal was for actual school business. We recommend that all travel reimbursements have proper supporting documentation, which would include the trip purpose, the names of all employees or students attending the meal/event, and a detailed receipt listing all items that are claimed for reimbursement. We also noted a few instances where employees were reimbursed for meals for trips that did not include overnight travel. We recommend that all employee meals that are reimbursed for same-day travel, whether in-district or not, be processed through payroll, as required by the Internal Revenue Service.

Gift Cards

We observed during the audit that gift cards for various amounts were given to students or staff as rewards, incentives or tokens of appreciation. We recommend that these types of items to individuals include a listing of all persons receiving the gift cards, the specific amount of each gift card, and a signature from each person next to their name which would indicate receipt of the gift card listed. Many school districts now use gift cards, due to the ease and advantages for both parties. However, the inherent risk of abuse should be considered when using these cards, and every effort should be made to assure proper use and distribution. The proper use and procedures for gift cards is an issue that should be reviewed with all staff members each year.

Community Education

We noted a few instances where 'p-card' expenditures were used, and did not include proper supporting documentation. In some instances, a screenshot from a website was used as support for a purchase. While on-line purchases are allowable, and sometimes these types of transactions are difficult to document, we recommend that every effort be made to obtain an itemized invoice for these items. This could involve contacting the on-line vendor directly for better supporting documentation.

We observed during our examination of collections that sponsors were occasionally holding these funds for several days, and sometimes over a week, prior to turning them in for deposit. It appears that the district custodian was receipting/depositing these funds in a timely manner once they were received by the main office. We recommend that all employees be reminded that holding these collected funds overnight increases the opportunity for lost or stolen funds, and that these collected funds should be turned in to the site or district activity fund office for immediate deposit.

Booster Clubs

The District currently maintains separate 'emergency' bank accounts for some of the booster clubs. These accounts are intended to be used for emergency purposes only, during non-business hours. We reviewed these bank statements and the supporting documentation for these accounts, and noted that some deposits and expenditures are regularly made into these 'emergency' bank accounts, when a more appropriate procedure might have been to utilize the normal activity fund subaccount to deposit funds or make expenditures, since some of the transactions noted did not appear to be emergency in nature. We also observed instances where the supporting documentation turned in to the activity fund office lacked sufficient detailed receipts. In addition, the bank statements for the Baseball and Band accounts were not being turned in to activity fund office in a timely manner. We were informed by management that these 'emergency' bank accounts should normally be limited to a balance of \$2,500. While the balances in these separate accounts were generally small, the balance in the football

booster account was considerably higher (in excess of \$50,000). We recommend that collections be submitted to the District activity fund office in a timely manner, and these accounts be reviewed regularly by management to ensure that the accounts are being used correctly. The Baseball Booster did a great job of properly supporting expenditures and effectively managing their account. The Baseball Booster would be a great example to use when revising the procedures of the other accounts.

We also noted some instances where collections for booster clubs were held for several days and even weeks prior to being deposited. We recommend that all collections be turned in to the site or activity fund custodian for deposit in a timely manner, which would be daily if these collections exceed \$100, and at least once a week if the total collection amount is under \$100 in total.

District policies and procedures for in-district booster clubs, and groups operating outside of the District, should be reviewed each year with all group representatives. Booster clubs have become an area of controversy in many school districts, thus it is extremely important that all proper safeguards and procedures are followed to avoid even the speculation of abuse or mismanagement.

We take this opportunity to thank you and your professional staff for the outstanding cooperation and invaluable assistance you gave us during our recent onsite audit work.

Sincerely,



Eric M. Bledsoe

For

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP



Jenks
Public Schools

205 East B Street
Jenks, OK 74037-3900
(918) 299-4411
www.jenksps.org

Mr. Eric M. Bledsoe,
Sanders, Bledsoe, & Hewett Certified Public Accountants, LLP
101 North Main
Broken Arrow, Oklahoma 74012

Dear Mr. Bledsoe:

Listed below are the District's corrective action responses to the observations and recommendations listed in the letter to management that were compiled during Fiscal Year 2014-15 financial audit.

On-Site Finding #1: Travel Expenses

We noted some meal reimbursements to employees did not always list all the persons in attendance at the meal, and an indication that the meal was for actual school business. We recommend that all travel reimbursements have proper supporting documentation, which would include the trip purpose, the names of all employees or students attending the meal/event, and a detailed receipt listing all items that are claimed for reimbursement. We also noted a few instances where employees were reimbursed for meals for trips that did not include overnight travel. We recommend that all employee meals that are reimbursed for same-day travel, whether in-district or not, be processed through payroll, as required by the Internal Revenue Service.

Jenks Public Schools' Corrective Action:

The District makes this issue a point of emphasis during our Activity Fund In-service Training and Administrative Assistant Workshop. All documentation for travel shall list the date, location, purpose of travel, and attendees. If a group meal was purchased for students or employees, a list of the employees and name of the student group who attended the event must be included in the documentation before a payment is issued. Any meal reimbursement to an individual for same-day travel should be denied. Any reimbursement to an individual for overnight travel will be paid on a per diem basis per Board Policy. The Business Office administrators will continue to periodically check travel reimbursements. This issue was addressed for FY 2015-16.



Home of the Trojans

On-Site Finding #2: Gift Cards

We observed during the audit that gift cards for various amounts were given to students or staff as rewards, incentives or tokens of appreciation. We recommend that these types of items to individuals include a listing of all persons receiving the gift cards, the specific amount of each gift card, and a signature from each person next to their name which would indicate receipt of the gift card listed. Many school districts now use gift cards, due to the ease and advantages for both parties. However, the inherent risk of abuse should be considered when using these cards, and every effort should be made to assure proper use and distribution. The proper use and procedures for gift cards is an issue that should be reviewed with all staff members each year.

Jenks Public Schools' Corrective Action:

The District has written procedures regarding the distribution of gift cards. At the Activity Fund In-Service Training, these procedures are discussed and emphasized. This has been a topic at the quarterly Administrative Leadership meetings. The District has a *Gift Card Reconciliation Form* requiring the signature of the person receiving the card. Cards given as a reward or token of appreciation may not exceed \$100. Any amount exceeding \$100 must be processed through payroll and approved by Human Resources. The Director of Athletics must also approve any gifts given to coaches. Gift cards given to employees to purchase supplies must follow the same procedures and the employee must provide an itemized receipt for the items purchased from the gift card. This issue was addressed for FY 2015-16.

On-Site Funding #3: Community Education

We noted a few instances where 'p-card' expenditures were used, and did not include proper supporting documentation. In some instances, a screenshot from a website was used as support for a purchase. While on-line purchases are allowable, and sometimes these types of transactions are difficult to document, we recommend that every effort be made to obtain an itemized invoice for these items. This could involve contacting the on-line vendor directly for better supporting documentation.

We observed during our examination of collections that sponsors were occasionally holding these funds for several days, and sometimes over a week, prior to turning them in for deposit. It appears that the district custodian was receipting/depositing these funds in a timely manner once they were received by the main office. We recommend that all employees be reminded that holding these collected funds overnight increases the opportunity for lost or stolen funds, and that these collected funds should be turned in to the site or district activity fund office for immediate deposit.

Jenks Public Schools' Corrective Action:

All purchases made with District funds should be accompanied by an original itemized receipt. If an individual makes an online purchase, that person must follow through with the online vendor if an itemized receipt is not created at the time of purchase. We have met with Community Education staff and addressed this issue.

All collections exceeding \$100 must be deposited by the end of the business day. Collections totaling less than \$100 must be deposited by the end of the week. This is an item that is emphasized on a regular basis. We have addressed the topic with Community Education staff for FY 2015-16.

On-Site Finding #4: Booster Clubs

The District currently maintains separate 'emergency' bank accounts for some of the booster clubs. These accounts are intended to be used for emergency purposes only, during non-business hours. We reviewed these bank statements and the supporting documentation for these accounts, and noted that some deposits and expenditures are regularly made into these 'emergency' bank accounts, when a more appropriate procedure might have been to utilize the normal activity fund subaccount to deposit funds or make expenditures, since some of the transactions noted did not appear to be emergency in nature. We also observed instances where the supporting documentation turned in to the activity fund office lacked sufficient detailed receipts. In addition, the bank statements for the Baseball and Band accounts were not being turned in to activity fund office in a timely manner. We were informed by management that these 'emergency' bank accounts should normally be limited to a balance of \$2,500. While the balances in these separate accounts were generally small, the balance in the football booster account was considerably higher (in excess of \$50,000). We recommend that collections be submitted to the District activity fund office in a timely manner, and these accounts be reviewed regularly by management to ensure that the accounts are being used correctly. The Baseball Booster did a great job of properly supporting expenditures and effectively managing their account. The Baseball Booster would be a great example to use when revising the procedures of the other accounts.

We also noted some instances where collections for booster clubs were held for several days and even weeks prior to being deposited. We recommend that all collections be turned in to the site or activity fund custodian for deposit in a timely manner, which would be daily if these collections exceed \$100, and at least once a week if the total collection amount is under \$100 in total.

District policies and procedures for in-district booster clubs, and groups operating outside of the District, should be reviewed each year with all group representatives. Booster clubs have become an area of controversy in many school districts, thus it is extremely important that all proper safeguards and procedures are followed to avoid even the speculation of abuse or mismanagement.

Jenks Public Schools' Corrective Action:

The District is reviewing the guidelines for the Sanctioned Type B parent booster groups. We are in the process of meeting with the groups who were exceeding the limit of \$2,500 in their outside emergency accounts and reviewing the proper procedures regarding the use of these particular funds. The use of these types of accounts is antiquated now that other payment methods are available. The District has the ability to issue a p-card to these groups for emergency type purchases. The District is considering the issuance of p-cards to replace these emergency accounts.

We are now receiving monthly bank statements for all Sanctioned Type B booster groups' outside accounts.

The District has implemented a receipting software program that has helped monitor and enforce timely deposits for activity fund collections. All collections exceeding \$100 must be deposited by the end of the business day. Collections totaling less than \$100 must be deposited by the end of the week. This is an item that is emphasized on a regular basis and at the annual Activity Fund In-service Training. We have addressed the topic with Activity Fund sponsors for FY 2015-16.

Please feel free to contact me if you have any questions or concerns regarding any of the corrective action measures the District has taken to address these items.

Sincerely,

Cody Way
Chief Financial Officer
Jenks Public Schools
(918) 299-4415 ext. 2463