FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS
JUSTICE ALMA WILSON SEEWORTH ACADEMY
NO. E-2
OKLAHOMA COUNTY, OKLAHOMA
JUNE 30, 2012

JUSTICE ALMA WILSON SEEWORTH ACADEMY NO. E-2

OKLAHOMA COUNTY, OKLAHOMA

JUNE 30, 2012

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JUSTICE ALMA WILSON SEEWORTH ACADEMY NO. E-2

OKLAHOMA COUNTY, OKLAHOMA

JUNE 30, 2012

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JUSTICE ALMA WILSON SEEWORTH ACADEMY NO. E-2
OKLAHOMA COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JULY 1, 2011 THROUGH JUNE 30, 2012

Governing Body

President	Beverly Patchell
Vice-President	Barbara Swinton
Secretary	Patricia Kelley
Member	Kay Floyd
Member	John Mayfield
Member	Kari Moeller
Member	Lee Anne Wilson

Director

Janet Grigg

BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

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QUALIFIED OPINION ON THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - GOVERNMENTAL ENTITY

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Justice Alma Wilson Seeworth Academy No. E-2
Oklahoma County, Oklahoma

We have audited the accompanying fund type and account group financial statements of Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma, as of and for the year ended June 30, 2012, as listed in the Table of Contents. These financial statements are the responsibility of Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma, prepares its financial statements in conformity with the accounting and financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The differences between the regulatory basis of accounting and accounting principles generally accepted in the United States of America are also described in Note 1.

As discussed in Note 1, the financial statements referred to above do not include the General Fixed Asset Account Group. The amount that should be recorded in the General Fixed Asset Account Group is not known.

In our opinion, because of the School's policy to prepare its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma, as of June 30, 2012, or the results of its operations for the year then ended.

However, in our opinion, except for the omission of the general fixed asset account group as discussed in the fourth paragraph, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances arising from regulatory basis transactions of each fund type and account group of Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma, as of June 30, 2012, and the revenues it received and expenditures it paid for the year then ended, on the regulatory basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated March 11, 2013, on our consideration of Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the fund type and account group financial statements of Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma, taken as a whole. The Combining Financial Statements as listed in the accompanying Table of Contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The Combining Financial Statements 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements referred to above and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the financial statements being prepared in compliance with the regulatory basis as prescribed by the Oklahoma State Department of Education as discussed in Note 1, such information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL & MILLER
Certified Public Accountants

Weatherford, Oklahoma
March 11, 2013

COMBINED FINANCIAL STATEMENTS

OF

JUSTICE ALMA WILSON SEEWORTH ACADEMY NO. E-2
OKLAHOMA COUNTY, OKLAHOMA

Schedule 1-00

JUSTICE ALMA WILSON SEEWORTH ACADEMY
OKLAHOMA COUNTY, OKLAHOMA
COMBINED BALANCE SHEET - REGULATORY BASIS -
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2012

	Governmental Fund Types
	General
ASSETS	
Cash and Investments	$ 845,094.26
Total Assets	$ 845,094.26
LIABILITIES AND FUND BALANCE	
Liabilities:	
Warrants payable	$ 314,115.55
Encumbrances	4,300.71
Total Liabilities	318,416.26
Fund Equity:	
Unreserved:	
Undesignated	526,678.00
Total fund balances	526,678.00
Total Liabilities and Fund Balances	$ 845,094.26

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

Schedule 2-00

JUSTICE ALMA WILSON SEEWORTH ACADEMY
OKLAHOMA COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - REGULATORY BASIS -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund
Revenues:	
Local sources	$ 413,371.09
Intermediate sources	0.00
State sources	3,273,455.58
Federal sources	2,515,882.43
Total Revenues Collected	6,202,709.10
Expenditures:	
Instruction	2,357,198.93
Support services	3,573,428.66
Non - Instructional services	302,590.02
Capital outlay	30,910.85
Other outlays	4,835.78
Total Expenditures	6,268,964.24
Excess of revenue over (under) expenditures	(66,255.14)
Adjustments to prior year encumbrances	0.00
Prior Period Adjustment	0.00
Excess of revenues and other sources over (under) expenditures and other uses	(66,255.14)
Beginning fund balance	592,933.14
Ending fund balance	$ 526,678.00

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

Schedule 3-00

JUSTICE ALMA WILSON SEEWORTH ACADEMY
OKLAHOMA COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - REGULATORY BASIS
BUDGETED GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund		
	Original Budget	Final Budget	Actual
Beginning fund balances, budgetary basis	$ 592,933.14	$ 592,933.14	$ 592,933.14
Revenues:			
Local sources	272,494.00	272,494.00	413,371.09
Intermediate sources	0.00	0.00	0.00
State sources	3,110,996.36	3,110,996.36	3,273,455.58
Federal sources	2,499,117.06	2,499,117.06	2,515,882.43
Total Revenue, budgetary basis	5,882,607.42	5,882,607.42	6,202,709.10
Expenditures:			
Instruction	2,568,611.03	2,568,611.03	2,357,198.93
Support services	3,573,428.66	3,573,428.66	3,573,428.66
Non - Instructional services	302,590.02	302,590.02	302,590.02
Capital Outlay	30,910.85	30,910.85	30,910.85
Other Outlays	0.00	0.00	4,835.78
Debt Service:			
Principal retirement	0.00	0.00	0.00
Interest and fiscal agent charges	0.00	0.00	0.00
Judgments paid	0.00	0.00	0.00
Total Expenditures, budgetary basis	6,475,540.56	6,475,540.56	6,268,964.24
Excess of revenue and beginning fund balances over (under) expenditures - budgetary basis	0.00	0.00	526,678.00
Other financing sources (uses):			
Bond sale proceeds	0.00	0.00	0.00
Operating Transfers	0.00	0.00	0.00
Excess of revenues and other sources over (under) expenditures and other uses	0.00	0.00	526,678.00
Adjustments to prior year encumbrances	0.00	0.00	0.00
Prior Period Adjustments	0.00	0.00	0.00
Ending fund balances	$ 0.00	$ 0.00	$ 526,678.00

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

NOTES TO COMBINED FINANCIAL STATEMENTS

OF

JUSTICE ALMA WILSON SEEWORTH ACADEMY NO. E-2
OKLAHOMA COUNTY, OKLAHOMA

JUSTICE ALMA WILSON SEEWORTH ACADEMY NO. E-2
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

1. Nature of organization and Summary of Significant Accounting Policies

The basic financial statements of the Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma (the "District") have been prepared in conformity with another comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

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

In evaluating how to define the district, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic -- but not the only -- criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

The District Foundation is not included in the reporting entity. The District does not appoint any of the board members or exercise any oversight authority over the Foundation.

Summary of Significant Accounting Policies, (Continued)

B. Fund Accounting

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

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

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The District has the following fund types and account groups:

Governmental Fund Types

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

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

Summary of Significant Accounting Policies, (Continued)

Fund Accounting, (Continued)

Account Groups
Account groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt and general fixed assets not accounted for in proprietary funds.

General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the school district. The District has not maintained the cost of fixed assets purchased in previous years. Thus the General Fixed Asset Account Group is not presented.

C. Basis of Accounting

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

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.

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.

Summary of Significant Accounting Policies, (Continued)

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. Under current Oklahoma Statutes, a formal budget is required for all funds except for agency funds. A budget is presented for the general fund that includes the originally approved budget appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations.

Encumbrances represent commitments to unperformed contracts for goods and 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. Under Oklahoma law, unencumbered appropriations lapse at the end of the year.

E. Assets, Liabilities and Fund Equity

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

Investments - Investments consist of direct obligations of the United States Government and Agencies or certificates of deposit with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

Inventories - The value of consumable inventories at June 30, 2012, is not material to the financial statements.

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 the District's treasurer.

Fixed Assets and Property, Plant and Equipment – The District has not maintained a record of its general fixed assets, and, accordingly, a General Fixed Asset Account Group is not presented in the financial statements. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchases.

Compensated Absences - The school does not calculate a dollar value of compensated absences. Thus, compensated absences have not been presented.

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

Summary of Significant Accounting Policies, (Continued)

F. Revenue, Expenses and Expenditures

Local Revenues - Revenue from local sources is the money generated from within the boundaries of the School and available to the School for its use. Local sources of revenues for the School include contributions, supplies, materials sold, commissions, and reimbursements.

Local sources also include funds from Oklahoma City Public School generated by the District's enrollment as calculated by the State Department of Education and the terms of the District's contract with Oklahoma City Public Schools.

Intermediate Revenues - Revenues from intermediate sources are the amounts of money from funds collected by an intermediate administrative unit, or a political subdivision between the School and the State, and distributed to schools in amounts that differ in proportion to those 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 or additions of revenue of the year when the adjustment is made.

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the 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 pass-through from another government, such as the State.

Summary of Significant Accounting Policies, (Continued)

Revenue, Expenses and Expenditures, (Continued)

Non-revenue Receipts - Nonrevenue receipts represent receipts deposited into a fund that are not considered new revenues to the School, but rather the return of assets that also includes miscellaneous receipts.

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. There were no operating transfers or residual equity transfers during fiscal year 2012.

G. **Statement of Cash Flows**

Since the District does not currently have any Proprietary Fund Types, the statement of cash flows has not been presented in the fiscal 2012 accompanying financial statements.

2. **General Long Term Debt**

At June 30, 2012 the District had not incurred any long-term debt.

Summary of Significant Accounting Policies, (Continued)

3. **Cash and Investments**

The District's investment policies are governed by state statute. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance.

Deposits - The District's cash deposits at June 30, 2012, are categorized to give an indication of the level of risk assumed by the District at year end as follows:

Deposit Categories of Credit Risk

(A) Insured or collateralized with securities held by the District or by its agent in the District's name.

(B) Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

(C) Uncollateralized.

	Category			Bank
	(A)	(B)	(C)	Balance
Cash	$ 250,000.00	$ 498,312.58	$ 96,781.68	$ 845,094.26
Investments	0.00	0.00	0.00	0.00
Total	$ 250,000.00	$ 498,312.58	$ 96,781.68	$ 845,094.26

4. **Other Information**

A. **Investment Income**

Investment income deposits to the General Fund account are receipted as allocated by the School Treasurer. School Funds are required to be invested in accordance with Title 70 of the Oklahoma Statutes, Article 5, Section 115. Interest income on investments totaled $518.63 for the year ended June 30, 2012.

Summary of Significant Accounting Policies, (Continued)

Other Information, (Continued)

B. 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, employees' health and life, and natural disasters. The District manages these various risks of loss through the purchase of commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

C. Contingencies

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

D. Employee Retirement System and Plan

The District has chosen not to participate in the Oklahoma Teachers Retirement System.

E. Surety Bonds

The Academy has an employee dishonesty bond by the Hartford Company, bond number 38BPECX1236, for the term of April 12, 2011 to April 12, 2012 and for the term April 12, 2012 to April 12, 2013. The bond limit is $100,000.00

The Academy has a bond covering the Encumbrance Clerk by RLI Insurance Company, bond number LSM0372123, for the term of May 18, 2012 to May 18, 2013. The bond is for the penal sum of $1,000.00

The Academy has a bond covering the Superintendent by RLI Insurance Company, bond number LSM0372122, for the term of May 18, 2012 to May 18, 2013. The bond is in the penal sum of $100,000.00.

5. **Subsequent Events**

Management has evaluated subsequent events through March 11, 2013, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

SUPPORTING SCHEDULES

OF

JUSTICE ALMA WILSON SEEWORTH ACADEMY NO. E-2
OKLAHOMA COUNTY, OKLAHOMA

SUPPLEMENTARY INFORMATION

OF

JUSTICE ALMA WILSON SEEWORTH ACADEMY NO. E-2
OKLAHOMA COUNTY, OKLAHOMA

JUSTICE ALMA WILSON SEEWORTH ACADEMY
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA #	Project Reporting Number	Program Approved Amount	Balance at July 1, 2011	Receipts	Expenditures	Balance at June 30, 2012
Passed-through State Department of Education:							
2010-2011 Programs							
Title I	84.010	511	$ 0.00	$ (112,215.07)	$ 112,215.07	$ 0.00	$ 0.00
Title II, Part A	84.367	541	0.00	(864.74)	864.32	0.00	(0.42)
Title II, Part D	84.318	546	0.00	(549.73)	549.73	0.00	0.00
Title II, Part D	84.318	548	0.00	(183.25)	183.25	0.00	0.00
IDEA-B Part B, Flow Through	84.027	621	0.00	(13,333.36)	13,333.36	0.00	0.00
Education Jobs Fund	84.410	790	0.00	(84,154.00)	84,154.00	0.00	0.00
2011-2012 Programs							
Title I	84.010	511	217,875.96	0.00	216,063.93	216,063.93	0.00
Title I - Part A, ARRA	84.389	516	4,999.98	0.00	4,999.98	4,999.98	0.00
Title I - Supplemental School Improvemen	84.377	519	2,000,000.00	0.00	1,785,681.91	1,795,572.33	(9,890.42)
Title II, Part A	84.367	541	43,914.89	0.00	43,914.89	43,914.89	0.00
IDEA-B Part B, Flow Through	84.027	621	95,376.99	0.00	95,376.99	95,376.99	0.00
Total State Department of Education			2,362,167.82	(211,300.15)	2,357,337.43	2,155,928.12	(9,890.84)
U.S. Department of Agriculture							
Pased Through State Department of Education							
Cash Assistance:							
National School Lunch Program	10.555	763	105,569.47	0.00	105,569.47	105,569.47	0.00
National School Breakfast Program	10.553	764	52,975.53	0.00	52,975.53	52,975.53	0.00
Non-Cash Assistance (Commodities):							
National School Lunch Program	10.555	n/a	7,116.05	0.00	7,116.05	7,116.05	0.00
Total Department of Agriculture			0.00	0.00	165,661.05	165,661.05	0.00
TOTAL FEDERAL ASSISTANCE			$ 2,527,828.87	$ (211,300.15)	$ 2,522,998.48	$ 2,321,589.17	$ (9,890.84)

Note - The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Nonmonetary assistance in the form of commodities is reported in the schedule at the fair market value of the commodities received and disbursed.

REPORTS ON INTERNAL CONTROL AND ON COMPLIANCE

OF

JUSTICE ALMA WILSON SEEWORTH ACADEMY NO. E-2
OKLAHOMA COUNTY, OKLAHOMA

BRITTON, KUYKENDALL, & MILLER
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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*

The Honorable Board of Education
Justice Alma Wilson Seeworth Academy No. E-2
Oklahoma County, Oklahoma

We have audited the financial statements of Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma, as of and for the year ended June 30, 2012, and have issued our report thereon dated March 11, 2013. As stated in our report, the financial statements were prepared in compliance with the cash basis as prescribed by the Oklahoma State Department of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. In our report, our opinion was qualified because the omission of the General Fixed Assets Account Group results in an incomplete presentation. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* in the United States of America.

However, we noted certain matters that we have reported to the Board of Education and administrative employees of Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma, in a separate statement of audit comments included with this report.

This report is intended solely for the information and use of the Board of Education and administrative employees, and all applicable county, state and federal agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
March 11, 2013

BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Board of Education
Justice Alma Wilson Seeworth Academy No. E-2
Oklahoma County, Oklahoma

Compliance

We have audited the compliance of Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma, 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 its major federal programs for the year ended June 30, 2012. Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the management of Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma. Our responsibility is to express an opinion on Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma's compliance based on our audit.

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 Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma'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. Our audit does not provide a legal determination on Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma's compliance with those requirements.

In our opinion, Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma, complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

The management of Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 entity's internal control over compliance.

A deficiency in an entity's 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.

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

This report is intended solely for the information and use of the Board of Education and administrative employees, all applicable county, state and federal agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
March 11, 2013

JUSTICE ALMA WILSON SEEWORTH ACADEMY NO. E-2
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SUMMARY OF AUDITOR'S RESULTS

TYPE OF REPORT ISSUED ON THE FINANCIAL STATEMENTS:	Qualified Opinion
DISCLOSURES OF NONCOMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS:	(None Reported)
TYPE OF REPORT ISSUED ON COMPLIANCE FOR MAJOR PROGRAMS:	Unqualified Opinion
AUDIT FINDINGS:	(None Reported)
MAJOR PROGRAMS:	Title 1, School Improvement Grant
DOLLAR THRESHOLD USED TO DISTINGUISH BETWEEN TYPE A AND B PROGRAMS:	$300,000
QUALIFIED LOW-RISK AUDITEE:	No
FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:	(None Reported)

JUSTICE ALMA WILSON SEEWORTH ACADEMY NO. E-2
OKLAHOMA COUNTY, OKLAHOMA
AUDIT COMMENTS
FOR THE YEAR ENDED JUNE 30, 2012

CURRENT YEAR

2012-1 During our audit of the federal programs, we noted that some of the equipment purchased with federal funds was not properly labeled as required by the federal program guidelines. All equipment purchased with federal funds should be labeled with the name of the federal program and the fiscal year the equipment was purchased.

2012-2 At June 30, 2012, the collateral pledged was insufficient to cover the District's cash balance on hand in the amount of $96,781.68. The District should obtain collateral pledges from the bank that covers the amount of cash on hand in excess of the FDIC coverage.

PRIOR YEAR

2011-1 During our audit of the General Fund, we discovered that the Academy had exceeded their appropriations by $25,416.79. As required by law, available appropriations should be monitored, so that as funds are available, a supplemental appropriation is prepared as needed before the Academy exceeds their appropriations.

The Academy implemented procedures to correct the prior year comment.

JUSTICE ALINA WILSON
SEEWORTH ACADEMY
12600 KELLEY
OKLAHOMA CITY, OK 73131

March 27, 2013

James Kuykendall
Britton, Kuykendall, and Miller
204 East Franklin
Weatherford, OK 73096

RE: Responses to 2011-2012 Audit Comments for SeeWorth Academy

2012.1 The director has met with the IT Director for the purpose of securing and tracking equipment purchased with federal funds, SeeWorth Academy has already implemented a new label system to permanently identify every item in our inventory. This solution will help minimize instances where labels can be removed. We have purchased an engraving system that can be used on a variety of surfaces and materials. Each item will be correctly marked as required by the federal guidelines. The IT department has also created an online site where a ticket can be submitted for repair. The online form will enable IT to track each item of hardware in its repair process.

2012.2 The director has contacted BancFirst officials to ensure collateral pledges are in place to cover all SeeWorth Academy funds at all times. Since the director had previously requested the bank notify her of any time there needed to be additional pledges to accommodate the amount of funds in SeeWorth Academy's account, she has also requested the bank send her a monthly pledge information document so she, the school's accountant, and encumbrance clerk can also track the funds as well.

Respectfully Submitted

Janet Grigg

Janet Grigg
Director

JUSTICE ALMA WILSON
SEEWORTH ACADEMY
12600 KELLEY AVENUE
OKLAHOMA CITY, OK 73131

March 27, 2012

James Kuykendall
Britton, Kuykendall, and Miller
204 East Franklin
Weatherford, OK 73096

RE: Response to 2010-2011 Audit Comments for SeeWorth Academy

This letter is in response to your firm's audit comments for the year 2010-2011:

1.1 SeeWorth Academy's administration and financial staff will monitor the appropriations for the school very closely so that as funds are available, a supplemental appropriation is prepared as needed before school exceeds their appropriations.

Respectfully Submitted

Janet Grigg
Director

JUSTICE ALMA WILSON SEEWORTH ACADEMY NO. E-2
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANTS' PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2011 THROUGH JUNE 30, 2012

State of Oklahoma)
) ss
County of Custer)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountants' 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 Justice Alma Wilson Seeworth Academy No. E-2, Oklahoma County, Oklahoma, for the audit year 2011-2012.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL & MILLER
Certified Public Accountants

By James Kuykendall

Subscribed and sworn to before me this 26th day of March, 2013.

Frances A. Lewis
NOTARY PUBLIC

FRANCES A. LEWIS
NOTARY PUBLIC
#99010900
EXP. 8-21-15
IN AND FOR
STATE OF OKLAHOMA
CUSTER COUNTY