

ANNUAL FINANCIAL REPORT
MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
JULY 1, 2011 TO JUNE 30, 2012

AUDITED BY
KERRY JOHN PATTEN, C.P.A.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2012**

Board of Education

President	Mrs. Jimmie Nolen
Vice-President	Mr. Kevin Walker
Clerk	Mr. Le Roy Porter
Member	Mr. Tim Blanton
Member	Ms. Melissa Elzo

Superintendent of Schools

Dr. Pam Deering, March 12, 2012, to June 30, 2012

Interim Superintendent Dr. Pam Twidwell
July 1, 2011, to March 11, 2012

School District Treasurer

Dr. Pam Deering

Deputy Superintendent of Fiscal Services

Dr. Pam Deering

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2012**

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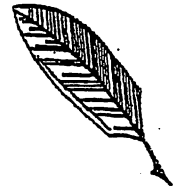
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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Midwest City-Del City School District No. I-52
Midwest City, Oklahoma

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Midwest City-Del City School District I-52, Oklahoma County, Oklahoma, as of and for the year ended June 30, 2012, which collectively comprise the school's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the school's management. Our responsibility is to express opinions on these financial statements based on our audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Midwest City-Del City School District I-52, Oklahoma County, Oklahoma, as of June 30, 2012, and the respective changes in financial position, thereof and where applicable, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As reflected in the balance sheet of the governmental funds and in the notes to the financial statements, the District has implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 5, 2012, on my consideration of the Midwest City-Del City School District internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of 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 my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on this information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Midwest City-Del City School District's financial statements as a whole. The accompanying other supporting information, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic 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 other supporting information and the schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.



Kerry John Patten, C.P.A.
December 5, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

MIDWEST CITY – DEL CITY INDEPENDENT SCHOOL DISTRICT NO. 52
 Management's Discussion and Analysis (unaudited)
 June 30, 2012

This section of Midwest City-Del City Independent School District #52's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2012. Please read it in conjunction with the District's financial statements, which immediately follow this section.

VIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts -- management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operation in more detail than the district-wide statements.
- The *governmental funds* statements tell how *basic* services like regular and special education were financed in the *short term* as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1
Major Features of District-Wide and Fund Financial Statements

	<u>District-wide Statements</u>	<u>Fund Financial Statements</u> <u>Governmental Funds</u>
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance
Required financial statements	1) Statement of net assets 2) Statement of activities	1) Balance Sheet 2) Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included

MIDWEST CITY – DEL CITY INDEPENDENT SCHOOL DISTRICT NO. 52
Management's Discussion and Analysis (unaudited)
June 30, 2012

Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable
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Figure A-1 summarizes the major features of the District's financial statements. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the district's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net assets*. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are categorized as governmental activities.

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid formula finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues.

MIDWEST CITY – DEL CITY INDEPENDENT SCHOOL DISTRICT NO. 52
 Management's Discussion and Analysis (unaudited)
 June 30, 2012

Most of the District's basic services are included in *governmental funds*, which generally focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explain the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table A-2
Mid-Del Public School's Net Assets
(in millions of dollars)

	2011	2012
Current and Other Assets	\$72.4	\$71.7
Capital assets	155.8	237.0
Total assets	\$228.2	\$308.7
Long-term debt outstanding	\$39.5	\$120.6
Other liabilities	13.5	11.6
Total liabilities	\$53.0	132.2
Net assets:		
Invested in capital assets, net of debt	\$118.6	\$116.2
Restricted	40.3	51.7
Unrestricted	16.3	8.4
Total net assets	\$175.2	\$176.5

MIDWEST CITY – DEL CITY INDEPENDENT SCHOOL DISTRICT NO. 52
 Management's Discussion and Analysis (unaudited)
 June 30, 2012

Table A-3
Changes in Mid-Del Public School's Net Assets
(in millions of dollars)

	2011	2012	Difference
Revenues			
Program revenues			
Charges for services	\$2.2	\$2.8	\$.6
Federal and State grants	23.9	18.7	(5.2)
Other	.0	.0	.0
General revenues			
Property taxes	34.0	30.6	(3.4)
Other taxes	13.2	18.6	5.4
Federal entitlement	.0	.0	.0
State entitlement	46.1	45.0	(1.1)
Other general revenues	4.4	1.9	(2.5)
Total revenues	\$123.8	\$117.6	(\$6.2)
Expenses			
Program expenses			
Instruction	\$62.0	\$60.0	\$(2.0)
Support services	39.4	40.0	.6
Non-instruction	5.5	6.0	.5
Interest on long-term debt	1.8	.4	(1.4)
Depreciation-unallocated	6.6	6.9	.3
Capital Outlay	1.8	1.7	(.1)
Other Outlays/uses	.9	1.3	.4
Workers Compensation Insurance	.5	.3	(.2)
Total expenses	\$118.5	\$116.6	\$(1.9)
Increase in Revenues over Expenses	5.3	1.0	(4.3)
Ending Net Assets	\$175.2	\$176.5	\$1.3

Changes in net assets.

The Ending Net Assets increased by \$1.3 million over the prior fiscal year. Federal revenues decreased as claims for reimbursement were filed to meet revised timelines and federal ARRA monies ceased. State revenues declined slightly due to loss of WADM. Expenditures decreased in most areas largely due to reductions in administrative force, hiring freezes, and reduced spending overall. Workers Compensation reflects a small decrease over the prior year. Total expenses decreased by \$1.9 million over FY11.

MIDWEST CITY – DEL CITY INDEPENDENT SCHOOL DISTRICT NO. 52
Management's Discussion and Analysis (unaudited)
June 30, 2012

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The strong financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported *combined* fund balances of \$59.1 million, compared to \$58.8 million in FY11.

General Fund Budgetary Highlights

The General Fund budget in FY12 decreased by \$0.5 Million to maintain an adequate fund balance. The General Fund fund balance for FY12 decreased from 6.98% or \$6,198,064.74 in FY11 to 6.39% or \$5,666,628.54. This fund balance decrease was due primarily to expenditures shifted from the Building fund back to the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2012, the District had expended \$6.8 million in a broad range of capital assets, including new classroom additions and renovations, roof repairs and building renovations, computer and media equipment, computer labs, science labs and equipment, musical instruments and furniture, maintenance vehicles and equipment, and track and field renovations at all 3 high school football fields.

In September of 2011, patrons of our district overwhelmingly passed a \$90.5 million Lease Revenue bond issue that allowed spending for capital projects, principally in the areas of site renovations and improvements, including the building of 2 new schools, and major renovations of 2 school sites, as well as new classroom renovations/additions, tennis court upgrades, locker room upgrades, bleachers, baseball lights, athletic storage, paving, roofing, canopies, restroom upgrades, etc. Also, planned was the purchase of security radio's and equipment, alarm systems, laptop computers, printers, server upgrades, Voice Over Internet Protocol (VOIP) telephony and equipment upgrades, technology infrastructure, instructional and media materials and equipment, textbooks, childhood playground equipment, band uniforms and equipment, and technology equipment, wireless access points, furniture, bus parking electrical plugs and lighting, and freezer upgrades. The district received the first series of these monies in January 2012 as GO bonds in the amount of \$8.64 million. In February of 2012, \$75.7 million of lease revenue bonds were received by the trustee bank.

Long-term Debt

At year-end the District had \$36.1 million in total long-term GO debt outstanding. This is a decrease from last year's amount of \$39.4 million. (More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements.)

- The District continued to pay down its debt, retiring \$9.77 million of outstanding GO bonds.

MIDWEST CITY – DEL CITY INDEPENDENT SCHOOL DISTRICT NO. 52
Management's Discussion and Analysis (unaudited)
June 30, 2012

- \$8.64 million in new GO debt was issued during the year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was not aware of any existing circumstances that would adversely impact the finances of the district that have not already been presented in the audit.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designated to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent, Mid-Del Schools, 7217 S.E. 15th, Midwest City, OK 73110.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 65,956,677
Property tax receivable	1,455,711
Due from other governments	3,874,168
Miscellaneous receivables	11,392
Inventories	444,899
Capital assets	
Land	16,427,576
Construction in Progress	90,132,114
Other capital assets, net of accumulated depreciation	<u>130,456,667</u>
 Total Assets	 \$ <u>308,759,204</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 534,427
Wages payable	10,523,479
Liabilities for Incurred Claims	260,000
Accrued Interest	286,727
Long-term liabilities	
Due within one year	19,863,700
Due in more than one year	<u>100,750,385</u>
 Total Liabilities	 \$ <u>132,218,718</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, net of related debt	\$ 116,402,272
Reserved for:	
Debt service	11,212,625
Child Nutrition	1,888,334
Capital projects	33,503,852
Buildings-restricted net assets	4,519,000
Workers Compensation	582,356
Unrestricted	<u>8,432,047</u>
 Total Net Assets	 \$ <u><u>176,540,486</u></u>

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
STATEMENT OF ACTIVITIES
JUNE 30, 2012

	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants & Contributions	Governmental Activities
Governmental Activities				
Instruction	\$ (60,093,265)	\$ 43,821	\$ 9,955,325	\$ (50,094,119)
Support services	(39,971,166)	-	3,482,155	(36,489,011)
Non-Instruction services	(6,044,179)	1,766,981	4,515,099	237,901
Interest on long-term debt	(397,925)	-	-	(397,925)
Capital outlay	(1,684,840)	-	672,898	(1,011,942)
Other outlays	(1,180,304)	-	102,120	(1,078,184)
Repayment	(117,901)	-	-	(117,901)
Depreciation - unallocated	(6,842,031)	-	-	(6,842,031)
Business - type activities				
Workers' compensation insurance	(336,121)	967,862	-	631,741
Total School District	\$ (116,667,732)	\$ 2,778,664	\$ 18,727,597	\$ (95,161,471)

General revenues

Taxes:

Property taxes, levied for general purposes	\$ 17,108,103
Property taxes, levied for building purposes	2,442,591
Property taxes, levied for debt service	11,048,792
General Taxes	18,638,279

State aid - not reserved to specific purposes:

Other	44,958,883
Interest earnings	1,567,421

Interest earnings

Total general revenues	<u>96,097,428</u>
Changes in net assets	935,957

Gain on fixed asset disposal 76,226

Gain on fixed asset exchange 240,925

Net assets - beginning 175,287,378

Net assets - ending \$ 176,540,486

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
STATEMENT OF NET ASSETS - PROPRIETARY FUND
JUNE 30, 2012

	Internal Service Fund - Workers' <u>Compensation</u>
ASSETS	
Cash	\$ <u>842,356</u>
Total assets	\$ <u>842,356</u>
LIABILITIES	
Liability for incurred claims	\$ <u>260,000</u>
Total liabilities	\$ <u>260,000</u>
NET ASSETS	
Unrestricted	\$ <u><u>582,356</u></u>

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012

		Internal Service Fund-Workers' Compensation
Operating Revenues		
Charges to other funds	\$	-
Other		12,168
Total operating revenues	\$	12,168
Operating Expenses		
Instruction	\$	-
Support services		-
Other uses of funds		336,121
Total operating expenses	\$	336,121
Operating expenses over revenues	\$	(323,953)
Non-operating Revenue		
Interest income	\$	694
Other financing sources		955,000
Total non-operating Revenue	\$	955,694
Change in net assets	\$	631,741
Beginning net assets	\$	(49,385)
Ending net assets	\$	582,356

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

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012**

		<u>Internal Service Fund-Workers' Compensation</u>
Cash flows from operating activities		
Received from assessments made to other funds	\$	955,000
Miscellaneous		12,168
Payments for workers' compensation claims		<u>(524,991)</u>
Net cash provided by operating activities	\$	<u>442,177</u>
Cash flows from investing activities		
Interest on investments	\$	<u>694</u>
Net cash provided by investing activities	\$	<u>694</u>
Net increase in cash	\$	442,871
Cash and cash equivalents at beginning of year	\$	<u>399,485</u>
Cash and cash equivalents at end of year	\$	<u><u>842,356</u></u>

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

FINANCIAL FUND STATEMENTS

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
BALANCE SHEET
GOVERNMENTAL FUND TYPES
JUNE 30, 2012

	General Fund	Debt Service Fund	Building Fund	Bond 33	Tech Center Building Fund	Bond Fund 32	Other Governmental Funds	Total Governmental Funds
ASSETS								
Pooled Cash and Investments	\$ 17,177,129	\$ 10,978,046	\$ 12,982,917	\$ 6,924,562	\$ 4,406,545	\$ 4,819,934	\$ 7,825,188	\$ 65,114,321
Property Taxes Receivable, Net	774,860	569,015	111,836	-	-	-	-	1,455,711
Due from Other Governments	2,791,585	-	-	-	-	-	1,082,583	3,874,168
Due from Fiduciary Fund	-	-	-	-	-	-	11,392	11,392
Inventories-Supplies, Materials	389,083	-	8,775	-	-	-	47,041	444,899
Total assets	\$ 21,132,657	\$ 11,547,061	\$ 13,103,528	\$ 6,924,562	\$ 4,406,545	\$ 4,819,934	\$ 8,966,204	\$ 70,900,491
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 280,851	\$ -	\$ 26,454	\$ -	\$ 97,615	\$ -	\$ 129,507	\$ 534,427
Accrued Wages	9,957,226	-	-	-	-	-	566,253	10,523,479
Deferred revenue	345,339	291,907	64,630	-	-	-	-	701,876
Total Liabilities	\$ 10,583,416	\$ 291,907	\$ 91,084	\$ -	\$ 97,615	\$ -	\$ 695,760	\$ 11,759,782
Fund balances:								
Nonspendable Fund Balances:								
<i>Inventories</i>	\$ 389,083	\$ -	\$ 8,775	\$ -	\$ -	\$ -	\$ 47,041	\$ 444,899
Restricted Fund Balances:								
<i>School Construction</i>	-	-	-	6,924,562	-	4,819,934	1,908,350	13,652,846
<i>Retirement of Long-Term Debt</i>	-	11,255,153	-	-	-	-	-	11,255,153
<i>Other Restrictions of Fund Balance</i>	-	-	13,003,669	-	4,308,930	-	2,422,384	19,734,983
Committed Fund Balances:								
Encumbrances	1,553,274	-	-	-	-	-	279,663	1,832,937
Minimum Fund Balance Requirement	5,175,856	-	-	-	-	-	-	5,175,856
Assigned Fund Balances:								
<i>Other Assigned Fund Balance</i>	-	-	-	-	-	-	863,648	863,648
Unassigned	3,431,028	-	-	-	-	-	2,749,358	6,180,386
Total Fund Balances	\$ 10,549,241	\$ 11,255,153	\$ 13,012,444	\$ 6,924,562	\$ 4,308,930	\$ 4,819,934	\$ 8,270,444	\$ 59,140,708
Total Liabilities and Fund Balances	\$ 21,132,657	\$ 11,547,060	\$ 13,103,528	\$ 6,924,562	\$ 4,406,545	\$ 4,819,934	\$ 8,966,204	\$ 70,900,491

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 \$298,690,707 and the accumulated depreciation is \$61,674,350.	237,016,357
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore are deferred in the funds.	701,877
An internal service fund is used by the District to charge the costs of workers' compensation insurance to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.	582,356
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:	
Bonds	\$ 36,100,000
Compensated Absences	2,934,085
Leases Payable	81,580,000
Accrued Interest	286,727
	<u>(120,900,812)</u>
Total Net Assets - Governmental Activities	\$ 176,540,486

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	General	Debt Service	Buidling	Bond 33	Tech Ctr Bldg.	Bond 32	Other Governmental Funds	Governmental Funds
Revenues								
Property Tax	\$ 17,218,132	\$ 11,091,320	\$ 2,442,921	\$ -	\$ -	\$ -	\$ -	\$ 30,752,373
Interest	165,669	5,281	-	83,700	-	33,115	45,594	333,359
County	3,699,391	-	-	-	-	-	-	3,699,391
State	56,030,188	841	180	-	-	-	2,370,850	58,402,059
Federal	8,295,194	-	672,898	-	-	-	5,972,538	14,940,630
Local	113,837	-	177	-	1,252,603	153	6,493,945	7,860,715
Other	741,859	-	296	-	17,595	-	40,264	800,014
Total Revenues	\$ 86,264,270	\$ 11,097,442	\$ 3,116,472	\$ 83,700	\$ 1,270,198	\$ 33,268	\$ 14,923,191	\$ 116,788,541
Expenditures								
Instruction	\$ 55,752,471	\$ -	\$ -	\$ 17,737	\$ 192,877	\$ 303,324	\$ 3,832,598	\$ 60,099,007
Support services	33,938,862	-	544,918	602,914	361,251	1,915,352	3,324,327	40,687,624
Non-instruction services	49,795	-	-	-	-	-	6,052,701	6,102,496
Capital outlays	-	-	-	1,178,487	225,250	5,118,600	500,377	7,022,714
Other outlays	843,852	-	-	-	-	-	336,156	1,180,008
Repayments	171	-	296	-	-	-	117,556	118,023
Interest Paid	-	878,323	-	-	-	-	-	878,323
Principal Retirement	-	9,770,000	-	-	-	-	-	9,770,000
Total expenditures	\$ 90,585,151	\$ 10,648,323	\$ 545,214	\$ 1,799,138	\$ 779,378	\$ 7,337,276	\$ 14,163,715	\$ 125,858,195
Excess (deficiency) of revenues over expenditures	\$ (4,320,881)	\$ 449,119	\$ 2,571,258	\$ (1,715,438)	\$ 490,820	\$ (7,304,008)	\$ 759,476	\$ (9,069,654)
Other Financing Sources (Uses):								
Proceeds of bonds	\$ -	\$ -	\$ -	\$ 8,640,000	\$ -	\$ -	\$ -	\$ 8,640,000
Sale of Real Property	-	-	700,000	-	-	-	-	700,000
Total other financing sources (uses)	\$ -	\$ -	\$ 700,000	\$ 8,640,000	\$ -	\$ -	\$ -	\$ 9,340,000
Net change in fund balance	\$ (4,320,881)	\$ 449,119	\$ 3,271,258	\$ 6,924,562	\$ 490,820	\$ (7,304,008)	\$ 759,476	\$ 270,346
Beginning fund balance	14,870,122	10,806,034	9,741,186	-	3,818,110	12,123,942	7,510,968	58,870,362
Ending fund balances	\$ 10,549,241	\$ 11,255,153	\$ 13,012,444	\$ 6,924,562	\$ 4,308,930	\$ 4,819,934	\$ 8,270,444	\$ 59,140,708

The accompanying notes are an integral part of these financial statements

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
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, 2012**

Net change in fund balances - governmental funds	\$	270,346
<p>Amounts reported for governmental activities in the statement of activities, 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 of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays in the period.</p>		
Capital outlay expenditures	\$	6,831,763
Depreciation expense		(6,842,031)
Retirements and adjustments		(580,892)
		(591,160)
<p>In the statement of activities, only the gain in the sale of property is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the basis of the property sold.</p>		
		76,226
<p>In the statement of activities, the net gain on exchange of real property is reported, whereas in the governmental funds, there are no proceeds from the exchange of real property. Thus, the change in net assets differs from the change in fund balances by the gain from the property exchanged.</p>		
		240,925
<p>Because some property taxes will not be collected for several months after the District's year end, they are not considered "available" revenues in the governmental funds and are, instead counted as deferred revenues. They are however, recorded as revenues in the statement of activities.</p>		
		701,877
<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, but increases long-term liabilities in the Statement of Net Assets and does not affect the statement of activities.</p>		
		(8,640,000)
<p>Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the the statement of activities.</p>		
		9,770,000
<p>In the statement of activities, compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This year, vacation and sick leave earned exceeded amounts used.</p>		
		(713,374)
<p>An internal service fund is used by the District to charge the costs of workers compensation insurance to the individual funds. The change in net assets of the internal service fund is reported with governmental activities.</p>		
		631,741
<p>Interest on long- term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus, requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due.</p>		
		(493,473)
		<u>1,253,108</u>
Change in net assets - statement of activities	\$	<u>1,253,108</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

1. Summary of Significant Accounting Policies

The financial statements of the Midwest City-Del City Public Schools Independent District No. 52 (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District has elected to apply all applicable GASB pronouncements, as well as Financial Accounting Standards Board ("FASB") pronouncements and Accounting Principles Board ("APB") opinions, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

A. Reporting Entity

In accordance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," the District has presented the entities which comprise the primary government in the fiscal year combined financial statements.

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 the State of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The Mid-Del Lewis Eubanks Area Vocational-Technical Center (formerly the Mid-Del Area Vo-Tech) became a designated Area Vocational-Technical School in 1977 by action of the Oklahoma State Board of Vocational and Technical Education with no ad valorem millage devoted specifically for its support. It is the only designated technology center in the State of Oklahoma that shares a school board with a public school district. The Mid-Del School District No. I-52 board of education serves as the Tech Center's board of education. The Technical Center is reported as a special revenue fund of the primary government.

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.

As required by accounting principles generally accepted in the United States of America, the combined financial statements present the reporting entity which consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the District's combined financial statements to be misleading or incomplete.

B. Basis of Presentation

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 school district. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues and are reported separately from Business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

Separate financial statements are provided for governmental funds, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Fund Financial Statements

The school district segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Statements for governmental activities present each fund as a separate column on the fund financial statements.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Fund Financial Statements (continued)

Governmental funds are used to account for all or most of a government's general activities. The measurement focus of governmental funds is on the sources uses and balance of current financial resources. The school has presented the following governmental 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.

Co-op Fund – The District's Co-op Fund is used to account for financial resources to be used for the operation of vocational education programs.

Building Fund – The District's Building Fund is a special revenue fund and consists of monies derived from property taxes levied for the purpose of creating, remodeling or repairing buildings and for purchasing furniture and equipment.

Tech Center Building Fund – The District's Tech Center Building fund is used to account for financial resources restricted for the Technology Center's remodeling or repairing buildings and purchasing furniture and equipment.

Child Nutrition Fund – The District's Child Nutrition Fund is a special revenue fund used to account for the operations of the child nutrition programs. Revenue sources include meal ticket sales and Federal and State grants for free and reduced meals.

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

Bond Fund – The District's Bond Fund is 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.

MAPS Fund – The District's MAPS Fund consists of revenues from a city imposed sales tax, and may be expended for limited purposes as defined by agreement with Oklahoma City Metropolitan Area Public Schools Trust.

Casualty/Insurance Fund – The District's Insurance Fund was established to account for revenues and expenditures for all types of insurance coverage and major reimbursements and reserves for property.

Proprietary Fund – Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District reports the following major proprietary funds:

Workers' Compensation Insurance Fund

The Insurance Fund is an internal service fund used to account for the accumulation, recording and disbursing of District contributions to the District's self-insured Workers' Compensation Account.

Fiduciary Funds

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a formula trust agreement, either a private purpose trust fund or a permanent fund is used.

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Summary of Significant Accounting Policies (continued)

The terms "permanent" and "private purpose" refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

Agency Fund – The District's Agency Fund and Sanctioned Organizations Fund are utilized to account for assets that the District holds on behalf of others as their agent and do not involve the measurement of results of operations.

Private-Purpose Trust Fund – The School District Gifts fund is a private-purpose trust fund used to account for donations received for the benefit of specified individuals associated with the District.

The District's Fiduciary Funds have been excluded from the government-wide financial statements.

Account Groups

GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the governmental column in the government-wide statement of net assets.

C. Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when the payment is due.

Property taxes and interest and certain state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them or do not meet the criteria for the recognition of revenue. The District has recorded deferred revenues in the General Fund, the Building Fund and the Debt Service Fund for property taxes, which are not collected within 60 days of year-end. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenues is removed from the balance sheet and revenue is recognized.

D. Budgets and Budgetary Accounting

A budget is legally adopted by the Board of Education for the General Fund, Co-op Technology Fund, Building Fund, Tech Center Building Fund, Child Nutrition Fund, Sinking Fund, Capital Projects (Bond), and the MAPS Fund, that includes revenues and expenditures. These budgets are prepared on a modified cash basis of accounting. Budgetary control is maintained by fund, function, and activity and budgeted expenditures may not exceed appropriations at the fund level. Amendments may be made to the budget without approval by the governing body at the function and activity levels. Fund level budgetary amendments require approval of the governing body.

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Summary of Significant Accounting Policies (continued)

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable fund balance – is utilized in all governmental funds of the District. Appropriations which are not spent lapse at the end of the fiscal year and encumbrances are reversed. On the first day of the following fiscal year, the encumbrances are reinstated and the expenditures are applied against the year's budget. All encumbrances are classified as Committed Fund Balance in the General Fund and Co-op Funds. Encumbrances are classified as Restricted Fund Balance in the Other Governmental Funds.

E. **Net Assets and Fund Balance** – The Government-Wide Financial Statements utilize a net asset presentation.

Net assets on the Statement of Net Assets include the following:

Investment in Capital Assets, Net of Related Debt – The component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted for Debt Service – The component of net assets that reports the amount of funds restricted for payment of principal and interest on debt. This amount is restricted by enabling legislation.

Restricted for Buildings – The component of net assets that reports the excess of property taxes and other revenue collected in excess of expenses for operation of the District's buildings. This amount is restricted by enabling legislation.

Restricted for Child Nutrition – The component of net assets restricted for use by the child nutrition fund. This amount is restricted by regulations of the Oklahoma State Department of Education.

Restricted for Capital Projects – The component of net assets that report the assets restricted for specific purposes set forth in bond election propositions.

Restricted for Workers' Compensation – The component of net assets that reports funds in the District's self-insured Workers' Compensation Account.

Unrestricted – The difference between assets and liabilities that is not reported as restricted for any particular purpose.

Governmental Fund Financial Statements – The District has adopted Governmental Accounting Standards Board Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified Inventory as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or their use is restricted by state statute or legislation regarding use of expenditures. Debt service resources are to be used for future servicing of outstanding debt. Child Nutrition resources are restricted for food services.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District has classified encumbrances as being committed because their use is imposed by the Board of Education regarding use of expenditures. A portion of the General Fund balance is also committed according to the District's minimum fund balance policy.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Summary of Significant Accounting Policies (continued)

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to management through the budgetary process. The District has assigned funds for education that are to be used for instruction, support services and other operating expenditures.

Unassigned: This classification includes the residual fund balance for the General Fund.

Minimum Fund Balance: The school District's School Board Policy Manual states, "It is the intent of the Board of Education to establish in the initial management budget a minimum of 6% fund balance with the objective of establishing and maintaining a 6% to 8% fund balance."

F. Assets, Liabilities and Cash Fund Balances

Cash and Cash Equivalents – The District considers all cash on hand, demand deposits and interest bearing checking accounts to be cash and cash equivalents.

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

Inventories – Inventories are stated at cost on a first-in, first-out method. Inventories in the governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories include fuel, maintenance supplies, instructional supplies and food service supplies. Cost of donated federal surplus commodities is based on values established by the federal government at the time of donation.

Inventories at June 30, 2012, consist of the following:

General Fund

Maintenance	\$ 8,775
Transportation	20,263
Warehouse	360,045

Building Fund

Maintenance	8,775
-------------	-------

Child Nutrition

Supplies	47,041
Total	\$ <u>444,899</u>

Prepaid Insurance – Prepaid insurance represents payments made by the District in the current year to provide services occurring in the subsequent fiscal year.

Capital Assets – Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements.

All purchased capital assets are valued at cost when historical records exist and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their fair market value on the date donated.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Summary of Significant Accounting Policies (continued)

Assets capitalized have an original cost of \$2,500 or more and over three years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and structures	45 years
Improvements	45 years
Equipment	10 years
Furniture and fixtures	20 years
Vehicles	6 years
Band Instruments	10 years
Computer/Technology Equipment	5 years

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Compensated Absences – The District's policy allows employees to accumulate unused sick leave from year to year as long as employees remain continuously in the Midwest City-Del City School system. Maximum number of days that can be accumulated for purposes of sick leave cannot exceed one hundred twenty (120) days at the beginning of the school year. For the purposes of sick leave reimbursement upon retirement, the district pays for all sick leave accrued during employment not previously paid for by the Midwest City-Del City Public Schools.

A twelve-month salaried employee is eligible for twelve (12) days paid vacation each year accrued at the rate of one (1) day per month. Twelve month employees may carry over vacation days up to a maximum of twenty-four (24) days. Upon retirement or resignation, the School District will reimburse an employee for accrued vacation at the employee's regular daily rate of pay.

Long-Term Debt – Long-term debt is recognized as a liability of the applicable governmental activities statement on net assets.

Fund Equity – Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

G. Revenue, Expenses and Expenditures

Property Tax Revenue and Receivables – 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. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of the tax is due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. The second half of the tax becomes delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

Uncollected taxes assessed on valuations made each year are recorded in the District's combined financial statements. The delinquent taxes which are not collected within 60 days of year-end are recorded in the financial statements as deferred revenue. Uncollectible personal and real property taxes are deemed to be immaterial because the property can be sold for the amount of taxes due.

The District also enters agreements each year between the Board of Education for the Midwest City-Del City Lewis Eubanks Technical Center and the Board of Trustees for the Rose State College Technical Area Education District. Under the agreements the Mid-Del School District receives the lessor of 3/5 mills (60 percent) of the net collections from Rose State College's Technical Area 5-mill operational levy, 5-mill incentive levy, and 5-mill building levy from the Mid-Del School District I-52 net valuation or 50 percent of total collections for the fiscal year.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Summary of Significant Accounting Policies (continued)

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 Board 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 then 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.

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

2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Deposit Categories of Credit Risk

Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. The District's investment policies are governed by state statute. Permissible investments include:

1. Direct obligations of the United States Government to the payment of which the full faith and credit of the government is pledged.
2. Obligations to the payment of which the full faith and credit of the state is pledged.
3. Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies.
4. Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation.
5. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 of this section including obligations of the United States, its agencies and instrumentalities, and where collateral has been deposited with a trustee of custodian bank in an irrevocable trust or escrow account established for such purposes.
6. County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value.
7. Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items listed above.
8. Warrants, bonds or judgments of the school district.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Deposit Categories of Credit Risk (continued)

9. Qualified pooled investment programs, the investments of which consist of those items specified above, as well as obligations of the United States agencies and instrumentalities, regardless of the size of the district's budget. To be qualified, a pooled investment program for school funds must be governed through an Interlocal cooperative agreement formed pursuant to Title 70 Section 5-117b, and the program must competitively select its investment advisors and other professionals. Any pooled investment program must be approved by the Board of Education.

Deposits and Investments - The District's demand deposits are required by law to be collateralized by the amount that is not federally insured. The District has a written investment policy, which permits investments as authorized by State Statute. At June 30, 2012, the District had no funds invested.

Interest Rate Risk:

Investments are made based upon prevailing market conditions at the time of the transaction with the intent to hold the instrument until maturity. However, the District has no formal written policy addressing interest rate risk.

Credit Risk:

The District has no formal written policy addressing credit risk.

4. Receivables

Receivables at June 30, 2012, for the individual Governmental funds in the aggregate are as follows:

	<u>General</u>	<u>Building</u>	<u>Debt Service</u>	<u>Co-op</u>	<u>Child Nutrition</u>	<u>Tech Center Building</u>
Receivables						
Ad valorem taxes	\$ 774,860	\$ 111,836	\$ 569,015	\$ -	\$ -	\$ -
Federal grants	1,571,204	-	-	176,948	32,631	-
Local & Intermediate	305,467	-	-	783,482	-	-
State dedicated revenue	914,914	-	-	89,522	-	-
Gross Receivables	3,566,445	111,836	569,015	1,049,952	32,631	-
Less allowance for uncollectibles	345,339	64,630	291,907	-	-	-
Net total receivables	\$ 3,221,106	\$ 47,206	\$ 277,108	\$ 1,049,952	\$ 32,631	\$ -

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

5. Capital Assets

A summary of changes in general fixed assets for the year ended June 30, 2012, follows:

	Balance June 30, 2011	Additions	Transfers	Deletions	Balance June 30, 2012
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 16,229,533	\$ 248,509	\$ 5,534	\$ 56,000	\$ 16,427,576
Construction in Progress	8,173,767	86,926,748	(4,968,401)	-	90,132,114
Total Capital assets, not being depreciated:	\$ 24,403,300	\$ 87,175,257	\$ (4,962,867)	\$ 56,000	\$ 106,559,690
Capital assets being depreciated:					
Buildings & Renovations	166,002,949	197,301	4,968,401	331,316	170,837,335
Furniture & Accessories	391,361	-	-	-	391,361
Equipment & Appliances	7,733,528	246,421	-	38,322	7,941,627
Computer Software/Hardware	5,719,142	1,027,444	-	394,892	6,351,694
Vehicles/Buses	6,602,551	13,849	-	7,400	6,609,000
Total capital assets being depreciated:	186,449,531	1,485,015	-	771,930	192,131,017
Less accumulated depreciation:	55,023,357	6,842,031	-	191,038	61,674,350
Total capital assets being depreciated, Net of Accumulated Depreciation	131,426,174	(5,357,016)	4,968,401	580,892	130,456,667
Total-All Capital Assets-Net Governmental Activities	\$ 155,829,474	\$ 81,818,241	\$ 5,534	\$ 636,892	\$ 237,016,357

6. General Long-Term Debt

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue.

General long-term debt of the District consists of bonds payable, and obligations for compensated absences. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2012:

	Balance June 30, 2011	Additions	Retirements	Balance June 30, 2012
Bonds Payable	\$ 37,230,000	8,640,000	9,770,000	\$ 36,100,000
Leases Payable	-	81,580,000	-	81,580,000
Compensated Absences	2,220,711	713,374	-	2,934,085
Total	\$ 39,450,711	90,933,374	9,770,000	\$ 120,614,085

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

General Long-Term Debt (continued)

A brief description of the outstanding general obligation bond issues at June 30, 2012, is set forth below:

	<u>Amount Outstanding</u>
School District No. I-52 Building Bonds, Series 2008 original issue \$11,140,000, interest rate of 3.5% to 4.00%, first installment of \$2,785,000 due July 1, 2010, and annual installments of \$2,785,000 due thereafter, final payment of \$2,785,000 due July 1, 2013.	\$ 5,570,000
School District No. I-52 Building Bonds, Series 2009, original issue \$14,080,000 interest rate of 2.35 to 2.8%, first installment of \$3,520,000 due October 1, 2011, and annual installments of \$3,520,000 due thereafter, final payment of \$3,520,000 due July 2014.	10,560,000
School District No. I-52 Building Bonds, Series 2011, original issue \$9,740,000, interest rate of 1.35% to 2.15%, due in annual installments of \$2,435,000, with the first payment due March 1, 2013, final payment of \$2,435,000 due March 1, 2016.	9,740,000
School District No. I-52 Building Bonds, Series 2012, original issue \$8,640,000, interest rate of 2%, due in annual installments of \$2,160,000 on January 1, 2014, final payment of \$2,160,000 due January 1, 2017.	8,640,000
School District No. I-52 Building Bonds, Series 2007, original issue \$6,360,000, interest rate of 3.75% to 5/1%, with the first installment of \$1,590,000.00 due July 1, 2009, and final payment of \$1,590,000.00 due July 1, 2012.	<u>1,590,000</u>
Total Bonds Outstanding	\$ <u>36,100,000</u>

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

General Long-Term Debt (continued)

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

Year ending June 30,	Principal	Interest	Total
2013	\$ 10,330,000	\$ 841,668	\$ 11,171,668
2014	10,900,000	477,748	11,377,748
2015	8,115,000	241,238	8,356,238
2016	4,595,000	135,100	4,730,100
2017	2,160,000	43,200	2,203,200
Total	\$ 36,100,000	\$ 1,738,954	\$ 37,838,954

On September 13, 2011, the school district voters approved \$90.5 million in General Obligation Bonds to build new schools at the campuses of East Side and Soldier Creek Elementary schools, and an addition to Del City Elementary school as well as remodeling and expansions at other sites throughout the District. The bonds will be issued in a series of eight five-year general-obligation bonds with the first issue in January 2012.

Compensated Absences

Compensating absences represent the estimated liability for employees accrued vacation and sick leave for which employees are entitled to be paid upon termination or resignation. The liability at June 30, 2012, totaled \$2,934,085 and is recorded as long-term debt of the District. The retirement of this liability is paid from the General Fund or Special Revenue Funds based on the assignment of the employee at termination or resignation. Accrued totals by fund are as follows:

General	\$ 2,191,409
Co-op	545,954
Building	179,445
Child Nutrition	17,277
Total	<u>\$ 2,934,085</u>

Capital Leases

In February 2012, the school district entered into a Ground Lease Agreement with the Oklahoma County Finance Authority (the Authority) under which the district is leasing certain land upon which the Authority will construct improvements from the proceeds of \$72,620,000 in revenue bonds sold for that purpose. Improvements are to be constructed for so long as there are obligations outstanding, which are secured by the Ground Lease Agreement.

The improvements to be constructed by the Authority consist of two new elementary schools, East Side and Soldier Creek, renovation to Epperly Heights Elementary and a new addition to Del City Elementary. These facilities will be leased by the Authority to the school district pursuant to a sublease agreement enter into as of February 1, 2012.

The sublease agreement between the Authority and the Mid-Del School District enables the district to lease back the property leased in the ground lease, and utilized the proceeds of the revenue bonds (issued by the Authority) for the construction and improvements on the property. The sublease agreement also provides a mechanism for the district to obtain title to the improvements free and clear of security interest.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

General Long-Term Debt (continued)

Pursuant to the sublease agreement, the district is required to make rental and acquisition payments as follows:

Year ending June 30,		Rental Payments		Acquisition Payments		Total
		_____		_____		_____
2013	\$	3,000	\$	11,140,000	\$	11,143,000
2014		3,000		13,680,000		13,683,000
2015		3,000		10,640,000		10,643,000
2016		3,000		9,800,000		9,803,000
2017		3,000		11,860,000		11,863,000
2018-19		6,000		24,460,000		24,466,000
		_____		_____		_____
Total	\$	21,000	\$	81,580,000	\$	81,601,000
		_____		_____		_____

The trustee bank holds the cash and makes payments after authorization from the district.

The district intends to finance the sublease agreements lease payments through a periodic issuance of \$90,500,000 in Building Bonds which were authorized and approved by school district voters at an election held on September 13, 2011. These bonds are scheduled to be issued on dates, and in amounts, which coincide with sublease rental payments.

The present value of minimum sublease payments is recorded in the districts long term debt. Lease payments are primarily payable from the capital projects fund and recorded as other financing source in the year of acquisition.

Under the agreements, the district transferred ownership for land and facilities covered by the ground lease to the Authority. Ownership will revert to the district upon payment of the lease purchase acquisition payments. Accordingly, the original cost of the assets transferred and the cost of the additions and improvements are included in the district's general fixed assets. At June 30, 2012, the additions and improvements were in process. The district has recorded the cost of these additions and improvements as construction in progress. The sublease activity has been included in the Statement of Net Assets as Capital Assets and Long Term Debt.

7. Operating Leases

The School District leases various business machines under operating lease agreements. The lease agreements are generally for one year terms. Management expects that in the normal course of business, leases that expire for the business machines will be renewed or replaced by other leases.

The School District sold the Sooner Rose Elementary School and the Traub Elementary School during fiscal year 2010-11 and has entered into lease agreements authorizing the District to use each of the properties for \$1. per year. The leases contain the option for annual renewal at the end of the lease term, however, the District is not obligated beyond the end of each fiscal year.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

8. Employee Retirement System

Description of Plan

The System is a qualified governmental defined benefit retirement plan. For GASB purposes it is a cost-sharing multiple-employer Public Employee Retirement System. The supervising authority for the management and operation of the System is a 13-member Board of Trustees, which acts as a fiduciary for investment of the funds and the application of plan interpretations. The System provides retirement and disability benefits, annual cost of living adjustments, death benefits and other benefits to plan members and beneficiaries. Oklahoma State Statutes establish 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. The report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, Oklahoma 73152.

Basis of Accounting

The System's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The financial statements have also been prepared in compliance with the requirements of the Government Accounting Standards Board Statement No. 34. The financial statements are prepared on the accrual basis of accounting, under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period they are earned and become measurable, and investment purchases and sales are recorded as of their trade dates. Member and employer contributions are recognized when due, pursuant to formal commitments. Benefits and refunds are recognized when due and payable.

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 nonfunded pension benefit obligation of the System, as determined as part of the latest actuarial valuation dated June 30, 2012, is as follows:

		<u>Dollars in Millions</u>
Actuarial Accrued Liability	\$	18,588
Actuarial Value of Assets		10,190
Unfunded Actuarial Accrued Liability	\$	8,398

Funding Policy

A participant with five years of creditable service may retire with a normal retirement allowance at the age of sixty-two (62) or with reduced benefits as early as age fifty-five (55). The normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised, equals two percent of the average of the highest three earning years of contributory service multiplied by the number of years of credited service. Retiring members may count up to 120 days of unused accumulated sick leave toward an additional year of service credit. A participant leaving employment before attaining retirement age, but completing ten years of service, may elect to vest his accumulated contributions and defer receipt of a retirement annuity until a later date. When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit of \$18,000.00 and the participant's contributions plus interest. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit, elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death. The contribution rates for the Districts, which are not actuarially determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The employers' contribution rate is 9.5%. Employees contribute 7.0% of covered compensation.

Annual Pension Cost

The District's total contribution for 2012, 2011 and 2010 were \$4,497,198, \$4,639,178 and \$4,041,375, respectively. The District's total payroll for fiscal year 2011-12 amounted to \$70,576,691.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

10. Sanctioned Organizations

The following entities are separately constituted and, accordingly, their financial position and results of operations have not been presented in the accompanying financial statements. The school board does not appoint officers. The school board is not responsible for approving budgets, contracts, key personnel, fiscal matters or day-to-day operations of the entity.

Barnes Elementary PTA	Carl Albert High School Quarterback Club
Cleveland Bailey PTSA	Carl Albert High School Pom Pon Booster Club
County Estates Elementary PTA	Carl Albert Tip In Club
Del City Elementary PTA	CAHS Cheerleader Parent Account
East Side Elementary PTA	CAHS Cheer Booster Club
Epperly Heights Elementary PTA	Carl Albert HS Soccer Booster Club
Carl Albert MS Pom	Carl Albert Softball Booster Club
Parkview Elementary PTA	Carl Albert Swim Club
Ridgecrest Elementary PTA	Carl Albert Vocal Music Booster Club
Schwartz Elementary PTA	CAHS Volleyball Booster Club
Soldier Creek Elementary PTA	Carl Albert Takedown Club
Soldier Creek Natural Notes Parents Assoc.	Del City High School Band Boosters
Sooner Rose Elementary PTA	Mid-Del Orchestra Booster Club
Steed Elementary PTA	Del City Quarterback Club
Tinker Elementary PTA	Del City High School Fastpitch Club
Townsend Elementary PTA	Del City HS Booster Club
CAJH Band Parents Club	DCHS Swim Team Parents Assoc.
CAJH Cheer Parents Association	MCHS Boys Basketball Tip In Club
Carl Albert Middle School Po	Del City High School Choral Boosters
Carl Albert Junior High PTSA	Del City Take Down Club
Carl Albert Jr. High Vocal Music	MCHS Band Parents Association
Del Crest Choir Booster Club	Midwest City HS Homerun Club
Del Crest Band Boosters	MCHS Cheerleading Parent Booster Club
Kerr Jr. High PTSA	Midwest City Quarterback Club
Kerr MS Band Parent Association	MCHS Vocal Music Booster Club
Pleasant Hill Elementary PTA	Midwest City Pom Pon Squad
Monroney Band Boosters	MCHS Soccer Booster Club
Monroney PTSA	Pleasant Hill Elementary PTA
Jarman MS Band Parents Assoc.	MCHS Bomber Volleyball Booster Club
Jarman MS PTSA	Lady Bomber Softball Booster Club
CAHS Band Boosters	MCHS Swim Club
Carl Albert Homerun Club	MWCHS Bomber Mat Club
Midwest City-Del City PTA Council	Lady Bombers Basketball Booster Club
MCHS Vocal Music Booster Club	

11. Self Insurance

The District administers a self-insurance workers' compensation fund for District employees. This program is administered by an independent third party and covers workers' compensation expenses for employees. In order to mitigate the risk associated with this program, the District has purchased individual "stop loss" insurance of \$1,000,000. The District makes payments to the Internal Service Fund based on estimates of the amounts needed to pay prior and current year claims. As of the end of the fiscal year, it was determined that the loss reserve was \$448,870. Changes in the reserve amount during fiscal year 2012 were as follows:

	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
2011-2012	\$ 448,870.	\$ 336,121	\$ 524,991 0	\$ 260,0000

There have been no significant reductions in insurance coverage during the fiscal year 2012.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

12. Surety Bonds

The District has a Public School System Faithful Performance Blanket Named Position Bond with Ohio Casualty Insurance Agency. The bond number is 3929702, it covers all the necessary employees for the penal sum of \$450,000, and it is for the term of July 1, 2011, to July 1, 2012.

13. OCMAPS Program

The School District participates in a program administered through the Oklahoma City Metropolitan Area Public Schools Trust, whereby the Trust reviews and approves project applications from Oklahoma City and suburban school districts that educate Oklahoma City resident students for improvements to school facilities utilized by Oklahoma City students. The OCMAPS program is funded through a temporary Oklahoma City sales tax which began on January 1, 2002, and ended December 31, 2008. The Trust budgets sales tax collections for Oklahoma City Public Schools and 23 suburban school districts and reviews and approves applications for facilities improvement, from the 23 suburban school districts that educate Oklahoma City resident students. The Trust maintains budget allocations for each participating school district and notifies each district quarterly of funds remaining for applications for the school. At June 30, 2012, the Oklahoma City Metropolitan Area Public Schools Trust maintained an account balance of \$1,301,198. for Mid-Del Public Schools applications for program funding. Revenues and expenditures for this program are reported by the Mid-Del School District through a special revenue fund entitled MAPS Fund.

14. Intrafund Loan Agreement

The District approved a loan agreement between the Child Nutrition Services and the General Fund for the purpose of allowing adequate cash flow within the Child Nutrition Fund until such time during the fiscal year the Child Nutrition Fund receives reimbursements from state, federal, and lunch collections sufficient to meet cash flow needs. The loan agreement provides that the District's General Fund furnish the District's Child Nutrition Fund the cost of an amount not to exceed \$325,944 as a contingent liability subject to repayment as funds become available from the Child Nutrition Fund. This loan agreement included items such as utilities, insurance, maintenance and lease agreements, copiers and postage expense, etc. The loan was repaid during the fiscal year and no outstanding amounts have been reported in the "2011-12 financial statements.

15. Restricted Net Assets

On October 19, 2011, the Oklahoma Attorney General's Office released opinion number 2011-18 which pertains to the use of proceeds from property financed by the issuance of bonds. The opinion advises that school districts that borrow funds by the issuance of bonds for a specific purpose and later sells the property, it must either use the sale proceeds representing the funds borrowed for the same purpose stated in the bond measure, if possible or it must pay back the proceeds into the Sinking Fund. Oklahoma Attorney General Opinions have been deemed to be advisory in nature, only. The Mid-Del School District sold properties during fiscal year 2011-12. The Mid-Del School District sold properties during fiscal year 2010-11 and 2011-12 which were financed, at least in part, with General Obligation Bonds. Proceeds of these sales (\$3,819,000 in fiscal year 2010-11 and \$700,000 in fiscal year 2011-12) were deposited into the District's Building Fund and represents a portion of the Building Fund balance at June 30, 2012.

The government-wide statement of net assets reports \$4,519,000 of restricted net assets, which is restricted by enabling legislation.

REQUIRED SUPPLEMENTARY INFORMATION

MID-DEL SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Local	\$ 16,971,178	\$ 17,284,839	\$ 17,479,272	\$ 194,433
Intermediate sources	3,250,000	3,584,995	3,660,127	75,132
State sources	52,691,639	55,266,320	55,702,746	436,426
Federal sources	11,707,311	11,567,553	11,863,003	295,450
Total revenues	\$ 84,620,128	\$ 87,703,707	\$ 88,705,148	\$ 1,001,441
Expenditures:				
Instructional	\$ 51,266,413	\$ 55,625,228	\$ 55,458,583	\$ 166,645
Support services:				
Students	8,319,850	8,319,850	8,201,793	118,057
Staff	4,305,683	4,305,683	4,115,591	190,092
General administration	1,200,842	1,200,842	1,185,648	15,194
School administration	6,699,672	6,699,672	6,699,176	496
Business	2,702,832	2,702,832	2,646,097	56,735
Plant operations	9,696,939	9,696,939	9,406,168	290,771
Transportation	2,246,978	2,246,978	2,203,430	43,548
Child nutrition	8,370	8,370	3,233	5,137
Noninstructional	46,611	46,611	46,562	49
Capital outlay	-	-	-	-
Fund transfer/reimbursement	450,000	450,000	450,000	-
Indirect cost	186,955	186,955	-	186,955
Private non-profit schools	52,087	52,087	46,788	5,299
Correcting entry	86	86	85	1
Restricted funds	80	80	-	80
Other refunds	171	171	171	0
Total expenditures	\$ 87,183,570	\$ 91,542,385	\$ 90,463,325	\$ 1,078,980
Excess of revenues over (under) expenditures	\$ (2,563,442)	\$ (3,838,678)	\$ (204,904)	\$ (3,633,774)
Adjustments to prior year encumbrances	\$ -	\$ -	\$ 484,884	\$ (484,884)
Other financing sources (uses) :				
Non-revenue sources	\$ 886,788	\$ 1,158,380	\$ 326,532	\$ 831,848
Excess of revenues and other sources of funds over (under) expenditures	\$ (1,676,654)	\$ (2,680,298)	\$ 606,512	\$ (2,801,926)
Fund balance, beginning of year	\$ 5,642,644	\$ 6,198,065	\$ 6,198,065	\$ -
Fund balance, end of year	\$ 3,965,990	\$ 3,517,767	\$ 5,666,629	\$ (2,801,926)
Adjustments to conform with GAAP				
Receivables at year end			3,221,106	
Accounts payable at year end			(280,851)	
Encumbrances at year end			1,553,274	
Inventory at year end			389,083	
Fund balance, end of year (GAAP basis)			\$ 10,549,241	

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

MID-DEL SCHOOL DISTRICT NO. 1-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Local	\$ 2,394,132	\$ 3,115,033	\$ 3,155,519	\$ 40,486
Intermediate sources	-	-	-	-
State sources	-	119,501	180	(119,321)
Federal sources	-	-	672,898	672,898
	<u>\$ 2,394,132</u>	<u>\$ 3,234,534</u>	<u>\$ 3,828,597</u>	<u>\$ 594,063</u>
Total revenues				
Expenditures:				
Instructional	\$ -	\$ -	\$ -	\$ -
Support services:				
Students	-	-	-	-
Staff	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Business	-	-	-	-
Plant operations	7,843,000	7,847,775	710,141	7,137,634
Capital outlay	-	-	-	-
Correcting entry	-	296	296	-
Other - contingency	-	718,598	-	718,598
	<u>\$ 7,843,000</u>	<u>\$ 8,566,670</u>	<u>\$ 710,437</u>	<u>\$ 7,856,232</u>
Total expenditures				
Excess of revenues over (under) expenditures	\$ (5,448,868)	\$ (5,332,136)	\$ 3,118,160	\$ 8,450,295
Other financing sources (uses) :				
Non-revenue sources	\$ 147,075	\$ 147,075	\$ 296	\$ (146,779)
Sale of property	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of revenues and other sources of funds over (under) expenditures	\$ (5,301,793)	\$ (5,185,061)	\$ 3,118,456	\$ 8,303,516
Fund balance, beginning of year	\$ 8,646,285	\$ 8,894,249	\$ 9,741,186	\$ (846,937)
Fund balance, end of year	<u>\$ 3,344,492</u>	<u>\$ 3,709,189</u>	<u>\$ 12,586,937</u>	<u>\$ 7,456,579</u>
Adjustments to conform with GAAP				
Receivables at year end			47,206	
Accounts payable at year end			(26,454)	
Inventories at year end			8,775	
Encumbrances at year end			395,980	
Fund balance, end of year (GAAP basis)			<u>\$ 13,012,444</u>	

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

MID-DEL SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
CO-OP FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Local	\$ 2,872,101	\$ 2,934,408	\$ 2,817,675	\$ (116,733)
Intermediate sources	-	-	-	-
State sources	1,789,769	1,941,382	1,952,273	10,891
Federal sources	1,272,531	1,375,298	1,390,586	15,288
Total revenues	\$ 5,934,401	\$ 6,251,088	\$ 6,160,534	\$ (90,554)
Expenditures:				
Instructional	\$ 3,377,835	\$ 3,535,222	\$ 3,504,891	\$ 30,331
Client based programs	366,400	366,400	302,345	64,055
Support services:				
Students	530,839	530,839	528,657	2,182
Staff	76,946	76,946	68,998	7,948
General administration	168,532	168,532	168,524	8
School administration	1,459,994	1,459,994	1,445,627	14,367
Business	301,809	301,809	291,075	10,734
Plant operations	214,100	214,100	178,303	35,797
Transportation	13,355	13,355	11,428	1,927
Fund Transfer/Reimb.	4,512	4,512	-	4,512
Indirect cost	5,656	5,656	-	5,656
Correcting entry	4,213	4,213	(28,718)	32,931
Student aid	-	-	-	-
Other refunds	50,000	50,000	50,000	-
Total expenditures	\$ 6,574,192	\$ 6,731,579	\$ 6,521,130	\$ 210,449
Excess of revenues over (under) expenditures	\$ (639,791)	\$ (480,491)	\$ (360,596)	\$ 119,895
Adjustments to prior year encumbrances	\$ -	\$ -	\$ 114,008	\$ (114,008)
Other financing sources (uses) :				
Non-revenue sources	\$ 154,955	\$ 154,955	\$ 21,511	\$ (133,444)
Excess of revenues and other sources of funds over (under) expenditures	\$ (484,836)	\$ (325,536)	\$ (225,078)	\$ (13,549)
Fund balance, beginning of year	\$ 1,769,325	\$ 2,044,760	\$ 2,044,760	\$ -
Fund balance, end of year	\$ 1,284,489	\$ 1,719,224	\$ 1,819,683	\$ (13,549)
Adjustments to conform with GAAP				
Receivables at year end			1,049,952	
Accounts payable at year end			(120,277)	
Encumbrances at year end			279,663	
Fund balance, end of year (GAAP basis)			\$ 3,029,021	

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

MID-DEL SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
CHILD NUTRITION FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Local	\$ 1,704,000	\$ 1,707,000	\$ 1,773,885	\$ 66,885
Intermediate sources	-	-	-	-
State sources	289,805	318,760	334,814	16,054
Federal sources	4,325,079	4,328,274	4,388,577	60,303
Total revenues	\$ 6,318,884	\$ 6,354,034	\$ 6,497,276	\$ 143,242
Expenditures:				
Instructional	\$ -	\$ -	\$ -	\$ -
Support services:				
Child nutrition	6,560,316	6,189,893	5,819,391	370,502
Noninstructional	-	-	-	-
Fund transfer/reimbursements	-	379,160	378,794	366
Other refunds	-	55,000	55,000	-
Total expenditures	\$ 6,560,316	\$ 6,624,053	\$ 6,253,185	\$ 370,868
Excess of revenues over (under) expenditures	\$ (241,432)	\$ (270,019)	\$ 244,091	\$ 514,110
Adjustments to prior year encumbrances	\$ -	\$ -	\$ 144,769	\$ (144,769)
Other financing sources (uses) :				
Non-revenue sources	\$ 17,750	\$ 17,750	\$ 18,753	\$ 36,503
Excess of revenues and other sources of funds over (under) expenditures	\$ (223,682)	\$ (252,269)	\$ 407,613	\$ (659,882)
Fund balance, beginning of year	\$ 1,038,195	\$ 1,227,368	\$ 1,227,368	\$ 0
Fund balance, end of year	\$ 814,513	\$ 975,099	\$ 1,634,981	\$ (659,882)
Adjustments to conform with GAAP				
Accounts receivable at year end			44,022	
Accounts payable at year end			(3,755)	
Due from other funds			-	
Inventories at year end			47,041	
Encumbrances at year end			107,440	
Fund balance, end of year (GAAP basis)			\$ 1,829,729	

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

MID-DEL SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
INSURANCE FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Local	\$ -	\$ -	\$ 448,589	\$ 448,589
Intermediate sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	-	-
	\$ -	\$ -	\$ 448,589	\$ 448,589
Total revenues	\$ -	\$ -	\$ 448,589	\$ 448,589
Expenditures:				
Instructional	\$ 6,185	\$ 6,185	\$ 6,185	\$ -
Support services:				
Students	102	102	-	(102)
Staff	3,936	3,936	3,897	(39)
General administration	1,000	1,000	1,000	-
Business	-	-	-	-
Plant operations	569,758	569,758	131,374	438,384
Transportation	53,159	53,159	52,531	628
Child nutrition	-	-	-	-
Noninstructional	-	-	-	-
Capital outlay	27,153	27,153	27,153	-
Other outlays	-	-	-	-
Restricted Funds	-	-	-	-
	\$ 661,293	\$ 661,293	\$ 222,140	\$ 438,871
Total expenditures	\$ 661,293	\$ 661,293	\$ 222,140	\$ 438,871
Excess of revenues over (under) expenditures	\$ (661,293)	\$ (661,293)	\$ 226,449	\$ 887,460
Adjustments to prior year encumbrances	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses) :				
Non-revenue sources	\$ -	\$ -	\$ -	\$ -
Excess of revenues and other sources of funds over (under) expenditures	\$ (661,293)	\$ (661,293)	\$ 226,449	\$ 887,460
Fund balance, beginning of year	\$ 661,293	\$ 661,293	\$ 604,177	\$ -
Fund balance, end of year	\$ -	\$ -	\$ 830,626	\$ 887,460
Adjustments to conform with GAAP				
Accounts payable at year end			(5,475)	
Encumbrances at year end			38,498	
Fund balance, end of year (GAAP basis)			\$ 863,648	

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

MID-DEL SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
TECH CENTER BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Local	\$ 1,497,565	\$ 1,531,548	\$ 1,449,399	\$ (82,149)
Intermediate sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	-	-
	<u>\$ 1,497,565</u>	<u>\$ 1,531,548</u>	<u>\$ 1,449,399</u>	<u>\$ (82,149)</u>
Total revenues				
Expenditures:				
Instructional	\$ 222,028	\$ 222,028	\$ 191,664	\$ (30,364)
Support services:				
Students	17,337	17,337	16,839	(498)
Staff	11,500	11,500	4,734	(6,766)
General administration	800	800	708	(92)
School administration	2,700	2,700	2,547	(153)
Business	708,135	708,136	377,543	(330,593)
Plant operations	-	-	-	-
Transportation	-	-	-	-
Noninstructional	-	-	-	-
Capital outlay	337,500	337,500	292,963	44,537
Other outlays	-	-	-	-
Other - contingency	-	-	-	-
	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>	<u>\$ 886,997</u>	<u>\$ 44,537</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>\$ 197,565</u>	<u>\$ 231,548</u>	<u>\$ 562,402</u>	<u>\$ (37,612)</u>
Adjustments to prior year encumbrances	\$ -	\$ -	\$ 36,948	\$ (36,948)
Other financing sources (uses) :				
Non-revenue sources	<u>\$ 54,743</u>	<u>\$ 54,743</u>	<u>\$ 17,595</u>	<u>\$ -</u>
Excess of revenues and other sources of funds over (under) expenditures	\$ 252,308	\$ 286,291	\$ 616,945	\$ (37,612)
Fund balance, beginning of year	<u>\$ 3,141,932</u>	<u>\$ 3,640,177</u>	<u>\$ 3,640,177</u>	<u>\$ (0)</u>
Fund balance, end of year	<u>\$ 3,394,240</u>	<u>\$ 3,926,468</u>	4,257,122	<u>\$ (37,612)</u>
Adjustments to conform with GAAP				
Receivables at year end			0	
Accounts payable at year end			(97,615)	
Encumbrances at year end			149,423	
Fund balance, end of year (GAAP basis)			<u>\$ 4,308,930</u>	

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

MID-DEL SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
SINKING FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Local	\$ 11,130,176	\$ 10,830,212	\$ 11,099,922	\$ 269,710
Intermediate sources	-	-	-	-
State sources	-	-	841	841
Federal sources	-	-	-	-
Total revenues	<u>\$ 11,130,176</u>	<u>\$ 10,830,212</u>	<u>\$ 11,100,763</u>	<u>\$ 270,551</u>
Expenditures:				
Instructional	\$ -	\$ -	\$ -	-
Support services:				
Students	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Business	-	-	-	-
Noninstructional	-	-	-	-
Capital outlay	-	-	-	-
Other outlays	-	-	-	-
Debt Service	10,483,003	20,646,194	10,648,322	(9,997,872)
Refunds/reimbursements	-	-	-	-
Total expenditures	<u>\$ 10,483,003</u>	<u>\$ 20,646,194</u>	<u>\$ 10,648,322</u>	<u>\$ (9,997,872)</u>
Excess of revenues over (under) expenditures	<u>\$ 647,173</u>	<u>\$ (9,815,982)</u>	<u>\$ 452,441</u>	<u>\$ (9,727,321)</u>
Other sources of funds - premium on bonds sold	\$ -	\$ -	\$ -	-
Excess of revenues and other sources of funds over (under) expenditures	\$ 647,173	\$ (9,815,982)	\$ 452,441	\$ 10,268,423
Fund balance, beginning of year	\$ 10,677,786	\$ 10,919,069	\$ 10,525,605	-
Fund balance, end of year	<u>\$ 11,324,959</u>	<u>\$ 1,103,087</u>	<u>\$ 10,978,046</u>	<u>\$ 10,268,423</u>
Adjustments to conform with GAAP				
Receivables at year end			277,107	
Accounts payable at year end			-	
Fund balance, end of year (GAAP basis)			<u>\$ 11,255,153</u>	

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

MID-DEL SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
MAPS FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Local	\$ 1,080,740	\$ 1,080,740	\$ 1,080,266	\$ (474)
Intermediate sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	\$ 1,080,740	\$ 1,080,740	\$ 1,080,266	\$ (474)
Expenditures:				
Instructional	\$ -	\$ -	\$ -	-
Support services:				
Students	-	-	-	-
Staff	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Business	-	-	-	-
Plant operations	101,224	101,224	101,224	-
Transportation	349,932	349,932	-	349,932
Noninstructional	-	-	-	-
Capital outlay	729,406	729,406	440,766	288,640
Other outlays	-	-	-	-
Restricted funds	13,680	13,680	-	13,680
Repayments	-	-	12,556	(12,556)
Total expenditures	\$ 1,194,242	\$ 1,194,242	\$ 554,546	\$ 639,696
Excess of revenues over (under) expenditures	\$ (113,502)	\$ (113,502)	\$ 525,720	\$ 639,222
Adjustments to prior year encumbrances	\$ -	\$ -	\$ 474	\$ (474)
Other financing sources (uses) :				
Non-revenue sources	\$ -	\$ -	\$ -	\$ -
Excess of revenues and other sources of funds over (under) expenditures	\$ (113,502)	\$ (113,502)	\$ 526,194	\$ 639,222
Fund balance, beginning of year	\$ 113,502	\$ 113,502	\$ 113,502	\$ -
Fund balance, end of year	\$ -	\$ -	\$ 639,696	\$ 639,222
Adjustments to conform with GAAP				
Receivables at year end			-	
Accounts payable at year end			-	
Encumbrances at year end			-	
Fund balance, end of year (GAAP basis)			\$ 639,696	

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

OTHER SUPPORTING INFORMATION

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2012

	<u>MAPS</u>	<u>Child Nutrition</u>	<u>Co-op Fund</u>	<u>Bond 31</u>	<u>Bond 38</u>	<u>Bond 39</u>	<u>Casualty/ Insurance</u>	<u>Total Governmental Funds</u>
ASSETS								
Pooled Cash	\$ 639,696	\$ 1,962,184	\$ 2,445,835	\$ 1,043,979	\$ 344,439	\$ 519,932	\$ 869,123	\$ 7,825,188
Due from Other Governments	-	32,631	1,049,952	-	-	-	-	1,082,583
Inventories - Supplies, materials	-	47,041	-	-	-	-	-	47,041
Due from Fiduciary Fund	-	11,392	-	-	-	-	-	11,392
Total assets	<u>\$ 639,696</u>	<u>\$ 2,053,248</u>	<u>\$ 3,495,787</u>	<u>\$ 1,043,979</u>	<u>\$ 344,439</u>	<u>\$ 519,932</u>	<u>\$ 869,123</u>	<u>\$ 8,966,204</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ -	\$ 3,755	\$ 120,277	\$ -	\$ -	\$ -	\$ 5,475	\$ 129,507
Accrued Wages	-	219,764	346,489	-	-	-	-	566,253
Total Liabilities	<u>\$ -</u>	<u>\$ 223,519</u>	<u>\$ 466,766</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,475</u>	<u>\$ 695,760</u>
Fund balances:								
Nonspendable Fund Balances:								
<i>Inventories</i>	\$ -	\$ 47,041	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,041
Restricted Fund Balances:								
<i>School Construction</i>	-	-	-	1,043,979	344,439	519,932	-	1,908,350
<i>Retirement of Long-Term Debt</i>	-	-	-	-	-	-	-	-
<i>Other Restrictions of Fund Balance</i>	639,696	1,782,688	-	-	-	-	-	2,422,384
Committed Fund Balances:								
<i>Encumbrances</i>	-	-	279,663	-	-	-	-	279,663
<i>Minimum Fund Balance Requirement</i>	-	-	-	-	-	-	-	-
Assigned Fund Balances:								
<i>Other Assigned Fund Balance</i>	-	-	-	-	-	-	863,648	863,648
Unassigned	<u>-</u>	<u>-</u>	<u>2,749,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,749,358</u>
Total Fund Balances	<u>\$ 639,696</u>	<u>\$ 1,829,729</u>	<u>\$ 3,029,021</u>	<u>\$ 1,043,979</u>	<u>\$ 344,439</u>	<u>\$ 519,932</u>	<u>\$ 863,648</u>	<u>\$ 8,270,444</u>
Total Liabilities and Fund Balances	<u>\$ 639,696</u>	<u>\$ 2,053,248</u>	<u>\$ 3,495,787</u>	<u>\$ 1,043,979</u>	<u>\$ 344,439</u>	<u>\$ 519,932</u>	<u>\$ 869,123</u>	<u>\$ 8,966,204</u>

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>MAPS</u>	<u>Child Nutrition</u>	<u>Co-op</u>	<u>Bond 31</u>	<u>Bond 38</u>	<u>Bond 39</u>	<u>Casualty/ Insurance</u>	<u>Governmental Funds</u>
Revenues								
Interest	\$ 1,402	\$ 10,377	\$ 11,195	\$ 17,637	\$ 1,997	\$ 2,986	\$ -	\$ 45,594
State	-	334,814	2,036,036	-	-	-	-	2,370,850
Federal	-	4,668,237	1,304,301	-	-	-	-	5,972,538
Local	1,078,864	1,766,981	3,199,512	-	-	-	448,588	6,493,945
Other	-	18,753	21,511	-	-	-	-	40,264
Total Revenues	\$ 1,080,266	\$ 6,799,162	\$ 6,572,555	\$ 17,637	\$ 1,997	\$ 2,986	\$ 448,588	\$ 14,923,191
Expenditures								
Instruction	\$ -	\$ -	\$ 3,725,246	\$ 97,693	\$ 2,616	\$ 778	\$ 6,265	\$ 3,832,598
Support services	101,224	-	2,637,318	402,853	-	-	182,932	3,324,327
Non-instruction services	-	6,039,389	-	13,312	-	-	-	6,052,701
Capital outlays	440,766	-	-	2,575	-	-	57,036	500,377
Other outlays	-	378,794	(42,638)	-	-	-	-	336,156
Repayments	12,556	55,000	50,000	-	-	-	-	117,556
Total expenditures	\$ 554,546	\$ 6,473,183	\$ 6,369,926	\$ 516,433	\$ 2,616	\$ 778	\$ 246,233	\$ 14,163,715
Excess (deficiency) of revenues over expenditures	\$ 525,720	\$ 325,979	\$ 202,629	\$ (498,796)	\$ (619)	\$ 2,208	\$ 202,355	\$ 759,476
Other Financing Sources (Uses):								
Proceeds of bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers In (out)	-	-	-	-	-	-	-	-
Sale of Real Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ 525,720	\$ 325,979	\$ 202,629	\$ (498,796)	\$ (619)	\$ 2,208	\$ 202,355	\$ 759,476
Beginning fund balance	113,976	1,503,750	2,826,392	1,542,775	345,058	517,724	661,293	7,510,968
Ending fund balances	\$ 639,696	\$ 1,829,729	\$ 3,029,021	\$ 1,043,979	\$ 344,439	\$ 519,932	\$ 863,648	\$ 8,270,444

The accompanying notes are an integral part of these financial statements

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY - FIDUCIARY FUNDS
JUNE 30, 2012

	Fiduciary Fund Types			
	Private Purpose Trust Fund	Agency Funds		
	Gifts Fund	Federal Pell Grant Fund	Activity Fund	Total
ASSETS				
Cash	\$ 23,820	\$ 121	\$ 1,201,844	\$ 1,225,785
Receivables	-	-	-	-
Miscellaneous	-	-	-	-
Total assets	<u>\$ 23,820</u>	<u>\$ 121</u>	<u>\$ 1,201,844</u>	<u>\$ 1,225,785</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 5,764	\$ 5,764
Due to other funds	-	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,764</u>	<u>\$ 5,764</u>
Fund Equity:				
Fund balances	\$ 23,820	\$ 121	\$ 1,196,080	\$ 1,220,021
Total fund balances	<u>\$ 23,820</u>	<u>\$ 121</u>	<u>\$ 1,196,080</u>	<u>\$ 1,220,021</u>
Total liabilities and fund equity	<u>\$ 23,820</u>	<u>\$ 121</u>	<u>\$ 1,201,844</u>	<u>\$ 1,225,785</u>

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Fiduciary Fund Types</u>			
	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>		<u>Total</u>
	<u>Gifts Fund</u>	<u>Federal Pell Grant Fund</u>	<u>Activity Fund</u>	
Additions				
Contributions	\$ -	\$ 89,471	\$ -	\$ 89,471
Student organization fundraisers	-	-	3,292,674	3,292,674
Total additions	\$ -	\$ 89,471	\$ 3,292,674	\$ 3,382,145
Deductions				
Operating expenses	\$ -	\$ 89,351	\$ 3,233,654	\$ 3,323,005
Total deductions	\$ -	\$ 89,351	\$ 3,233,654	\$ 3,323,005
Change in net assets	\$ -	\$ 120	\$ 59,020	\$ 59,140
Net assets at beginning of year	\$ 23,820	\$ 1	\$ 1,137,060	\$ 1,160,881
Net assets at year end	\$ 23,820	\$ 121	\$ 1,196,080	\$ 1,220,021

MIDWEST CITY-DEL CITY DISTRICT NO. 52
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2012

Activities	Balance July 1, 2011	Revenue	Adjustments	Disbursements	Balance June 30, 2012
Academic Center for Excellence	2,141	-	(2,141)	-	-
Alternative Academy	1,328	-	(1,328)	-	-
Barnes Elementary	22,325	57,161	26,884	77,429	28,941
Board of Education Building	51,064	165,572	252,411	380,655	88,392
Carl Albert Junior High	55,473	154,467	69,040	220,021	58,959
Carl Albert Senior High	167,040	483,820	121,143	565,714	206,289
Child Nutrition	3,290	1,203	107	2,153	2,447
Cleveland Bailey Elementary	27,644	41,208	(430)	41,370	27,052
Country Estates Elementary	9,921	30,982	7,756	43,768	4,891
Del City Elementary	20,325	36,776	(1,451)	29,976	25,674
Del Crest Junior High	16,265	90,022	(13,235)	79,951	13,101
Del City Senior High	113,043	395,555	(31,585)	365,876	111,137
East Side Elementary	17,824	52,796	(2,223)	50,709	17,688
Epperly Heights Elementary	24,214	48,489	(1,292)	40,398	31,013
Highland Park Elementary	23,680	30,977	(2,668)	33,046	18,943
Jarman Junior High	39,446	114,414	(10,132)	110,243	33,485
Kerr Junior High	33,731	76,676	(9,367)	62,480	38,560
Mid-Del Eubanks AVT	117,015	191,135	(686)	163,540	143,924
Mid-Del Transportation	506	2,015	-	2,279	242
Midwest City Senior High	116,637	412,762	(49,324)	377,343	102,732
Monroney Junior High	45,083	160,725	(20,233)	129,366	56,209
Parkview Elementary	34,174	57,533	(1,319)	62,265	28,123
Pleasant Hill Elementary	5,960	20,885	(538)	15,664	10,643
Ridge Crest Elementary	8,524	40,786	(2,672)	41,166	5,472
Schwartz Elementary	21,777	39,791	(2,044)	27,755	31,769
Soldier Creek Elementary	24,895	49,282	16,266	79,224	11,219
Sooner Rose Elementary	18,387	16,629	(410)	20,075	14,531
Special Services	1,484	129	-	153	1,460
Steed Elementary	37,802	47,632	36,943	88,682	33,695
Tinker Elementary	8,587	43,978	(872)	44,650	7,043
Townsend Elementary	8,457	57,169	(237)	52,018	13,371
Traub Elementary	28,968	25,100	(885)	25,685	27,498
Unposted Receipts	30,050	-	(28,473)	-	1,577
Total Activities	1,137,060	2,945,669	347,005	3,233,654	1,196,080

SUPPORTING SCHEDULE

**MID-DEL SCHOOL DISTRICT NO. 1-52
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2012**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA #	Grantor's Number	Balance July 1, 2011	Receipts	Expenditures	Balance June 30, 2012
U.S. Department of Education						
Direct Programs:						
2011-2012 Programs						
Title VIII, Impact Aid Operations	84.041	S041B20104091	\$ -	\$ 788,000	\$ 64,747	\$ 723,253
Safe & Drug Free Random Drug Testing	84.184D	Q184D060015	-	33,823	33,899	-
PELL	84.063	P063P114864	-	87,456	87,456	-
Title VII, Indian Education	84.060A	S080A111129	-	293,152	293,152	-
Sub-Total			\$ -	\$ 1,202,431	\$ 479,254	\$ 723,177
Passed-Through State Department of Education						
2011-2012 Programs						
Title I, Basic	84.010	N/A	\$ -	\$ 3,347,597	\$ 3,347,597	\$ -
Federal Academic Achievement	84.010	N/A	-	60,405	54,298	6,109
Title I Part A Neglected	84.010	N/A	-	107,412	107,412	-
Even Start Family Literacy	84.213	N/A	-	86,083	86,083	-
IDEA-B Flow Through	84.027	N/A	-	2,791,884	2,791,884	-
ARRA IDEA-B Flow Through	84.391A	N/A	-	33,823	33,823	-
Title II, Part A Training & Recruiting Fund	84.367	N/A	-	548,208	548,208	-
Title II, Part D, Education Through Technology	84.318X	N/A	-	94,434	94,434	-
Title IV Safe & Drug Free	84.186	N/A	-	24,839	24,839	-
21st Century Community	84.287	N/A	-	185,701	185,701	-
Title III-Immigrant Education	84.365	N/A	-	5,331	5,331	-
Title III-English Lang Acq	84.365	N/A	-	23,247	23,247	-
Title VI, Rural & Low Income Schools	84.358B	N/A	-	-	-	-
Title X - Homeless	84.196	N/A	-	102,532	102,532	-
Preschool	84.173	N/A	-	59,172	59,172	-
ARRA Preschool	84.392	N/A	-	2,008	2,008	-
Sub-Total			\$ -	\$ 7,472,674	\$ 7,466,564	\$ 6,109
Passed- Through State Department of Career & Technology:						
2011-2012 Programs						
Carl Perkins	84.048	N/A	\$ -	\$ 275,117	\$ 275,117	\$ -
Tech Prep	84.243	N/A	-	25,930	25,930	-
Sub-Total			\$ -	\$ 301,047	\$ 301,047	\$ -
Passed- Through State Department of Rehabilitation Services:						
2011-2012 Programs						
Rehabilitation Services	84.126	N/A	\$ -	\$ 26,124	\$ 26,298	\$ (174)
Sub-Total			\$ -	\$ 26,124	\$ 26,298	\$ (174)

(continued)

The accompanying notes are an integral part of this schedule

**MID-DEL SCHOOL DISTRICT NO. I-52
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2012**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA #	Grantor's Number	Balance July 1, 2011	Receipts	Expenditures	Balance June 30, 2012
<u>U. S. Department of Agriculture</u>						
Passed-Through State Department of Education:						
Child Nutrition Cluster:						
Non-Cash Assistance (Commodities):						
• National School Lunch Program	10.555	N/A	\$ -	\$ 280,225	\$ 280,225	\$ -
Non-Cash Assistance Sub-Total			\$ -	\$ 280,225	\$ 280,225	\$ -
Cash Assistance:						
• School Breakfast Program	10.553	N/A	\$ -	\$ 1,114,335	\$ 1,114,335	\$ -
• National School Lunch Program	10.555	N/A	-	3,141,931	3,141,931	-
• Summer Food Service Program for Children	10.559	N/A	72,156	39,245	26,110	85,291
Fruits & Vegetables	10.582	N/A	2,650	92,502	96,185	(1,033)
Cash Assistance Sub- Total			\$ 74,806	\$ 4,388,013	\$ 4,378,562	\$ 84,257
Sub- Total for Child Nutrition Cluster			\$ 74,806	\$ 4,668,238	\$ 4,658,787	\$ 84,257
<u>U.S. Department of Health and Human Services</u>						
Passed- Through Oklahoma State Dept of Career Technology						
TANF	93.558	N/A	\$ -	\$ 156,729	\$ 156,729	\$ -
Sub- Total			\$ -	\$ 156,729	\$ 156,729	\$ -
<u>U.S. Department of Defense</u>						
Direct						
Patriots KidBI	93.778	HE12541110011	\$ -	\$ 177,762	\$ 242,826	\$ (65,064)
Sub- Total			\$ -	\$ 177,762	\$ 242,826	\$ (65,064)
<u>Other Federal Assistance</u>						
<u>2011-2012 Programs</u>						
Flood Control	12.112	N/A	\$ -	\$ -	\$ -	\$ -
Johnson O'Malley	15.130	N/A	-	24,077	8,409	15,668
Sub-Total			\$ -	\$ 24,077	\$ 8,409	\$ 15,668
TOTAL FEDERAL ASSISTANCE			\$ 74,806	\$ 14,029,081	\$ 13,339,913	\$ 763,974

* Major program

The accompanying notes are an integral part of this schedule

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

1. For all federal programs, the District uses the fund types prescribed by the Oklahoma State Department of Education and conforms to the system of accounting authorized by the State of Oklahoma. General, Building, Child Nutrition, Coop, and Insurance Funds are used to account for resources restricted, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in the General, Building, Child Nutrition, Coop, and Insurance Revenue Fund.
2. The accounting and financial reporting treatment applied to a fund is determined by its' measurement focus. The Governmental Fund types are accounted for using a current financial measurement focus. All Federal grant funds were accounted for in the General, Building, Child Nutrition, Coop, and Insurance Funds, which are Governmental Fund types. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types and Agency Funds. This basis of accounting recognizes revenue in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as deferred revenue until earned.

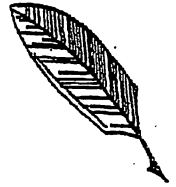
3. Positive amounts listed in the either "Balance at July 1, 2011" or "Balance at June 30, 2012" column represent funds received by the school and not yet expended or coded to the program.
4. The District received donated foods through the Federal Food Distribution Program (10.550). The District is required to maintain inventory records of each type of commodities received through the program. At June 30, 2012, the school maintained an immaterial amount of food commodities inventory.
5. Reconciliation of the Schedule of Expenditures of Federal Awards to Statement of Revenue, Expenditures and Changes in Fund Balance is as follows:

Total Federal Revenue as reflected on	
"Statement of Revenue, Expenditures and Changes In Fund Balance"	\$ 14,940,630
Less: Federal funds not considered federal financial assistance:	
ROTC	(152,490)
Tinker Skills	(846,532)
Accrual adjustments	17
Plus: Federal funds Transacted as Agency Funds	
Student Financial Aid	87,456
Reconciled Total	\$ 14,029,081

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

KERRY JOHN PATTEN, C.P.A.

2101 N. Willow Ave.
Broken Arrow, OK 74012
Phone Number (918) 250-8838
FAX Number (918) 250-9853



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
Midwest City-Del City School District No. 1-52
Oklahoma County, Oklahoma

I have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Midwest City-Del City School District No. 1-52, Midwest City, Oklahoma, as of and for the year ended June 30, 2012, which collectively comprise Midwest City-Del City School District's basic financial statements and have issued my report thereon dated December 5, 2012. I conducted my 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 my audit, I considered Midwest City-Del City School District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Midwest City-Del City School District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of the 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. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

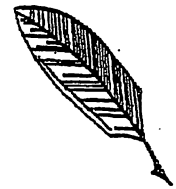
As part of obtaining reasonable assurance about whether Midwest City-Del City School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance that I have reported to management of Midwest City-Del City School District in a separate letter dated Date of release.

This report is intended solely for the information and use of the audit committee, management 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.

Kerry John Patten, C.P.A.
December 5, 2012

KERRY JOHN PATTEN, C.P.A.

2101 N. Willow Ave.
Broken Arrow, OK 74012
Phone Number (918) 250-8838
FAX Number (918) 250-9853



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

The Honorable Board of Education
Midwest City-Del City School District No. I-52
Oklahoma County, Oklahoma

Compliance

I have audited the compliance of Midwest City-Del City School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Midwest City-Del City School District's major federal programs for the year ended June 30, 2012. Midwest City-Del City School District's major federal programs are identified in the Summary of Audit 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 Midwest City-Del City School District's management. My responsibility is to express an opinion on Midwest City-Del City School District's compliance based on my audit.

I conducted my 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 I 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 Midwest City-Del City School District's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Midwest City-Del City School District's compliance with those requirements.

In my opinion, Midwest City-Del City School District 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

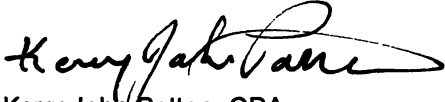
The management of Midwest City-Del City School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Midwest City-Del City School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my 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, I do not express an opinion on the effectiveness of the entity'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.

Internal Control over Compliance
Page 2

My 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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.



Kerry John Patten, CPA
December 5, 2012

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the government-wide financial statements of Midwest City-Del City School District.
2. There were no audit findings reported of deficiencies in internal control, which the auditor considers to be "significant deficiencies" as defined in A.I.C.P.A. standards.
3. No instances of noncompliance material to the financial statements of Midwest City-Del City School District were disclosed in the audit.
4. There were no audit findings reported of deficiencies in internal control over major programs, which the auditor considers to be "significant deficiencies" as defined by A.I.C.P.A. standards.
5. The auditor's report on compliance for the major federal award programs for Midwest City-Del City School District expresses an unqualified opinion.
6. There were no audit findings relative to major federal award programs for Midwest City-Del City School District, that were required to be reported by OMB Circular A-133.
7. The programs tested as major programs included: IDEA-B Cluster (84.027, 84.391A, 84.173 and 84.392); Title II Part A (84.367); Child Nutrition Cluster (10.555, 10.553, 10559).
8. A threshold for distinguishing Types A and B programs was \$628,505.
9. Midwest City-Del City School District was determined to be a low-risk auditee for purposes of determining overall percentage of Federal compliance testing.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

1. No matters were reported.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. No matters were reported.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
SUMMARY OF PRIOR AUDIT FINDINGS
FOR YEAR ENDED JUNE 30, 2012**

The summary of prior audit findings is required to report the status of all audit findings reported in the prior audit's schedule of findings and questioned costs relative to federal awards.

The school district had no prior year audit findings relative to federal award programs.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF COMMENTS
FOR YEAR ENDED JUNE 30, 2012**

Based on my tests of accounting records and related procedures, I found nothing to indicate that Midwest City-Del City School District had not complied with significant compliance rules and regulations of the Oklahoma State Department of Education.

Previous Year's Audit Comments

There were no items in the school's 2010-11 audit report which required resolution during the year ended June 30, 2012.

I would like to express my appreciation for the courtesies and cooperation extended to us by District administrators and employees during the course of this audit.

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
FOR YEAR ENDED JUNE 30, 2012

State of Oklahoma)
County of Tulsa)

The undersigned auditing firm of lawful age, 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 Midwest City-Del City School District for the audit year 2011-12.

Kerry John Patten, C.P.A.
AUDITING FIRM

BY *Kerry John Patten*
AUTHORIZED AGENT

Subscribed and sworn to before me on this
5 day of December, 2012

Linda Kellick 05010870
NOTARY PUBLIC

My commission expires on:

11 day of November, 2013

