

ANNUAL FINANCIAL REPORT
MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
OKLAHOMA COUNTY, OKLAHOMA
JULY 1, 2012 TO JUNE 30, 2013

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
OKLAHOMA COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2013

Board of Education

President	Mr. Le Roy Porter
Vice-President	Mr. Le Roy Porter
Clerk	Mr. Tim Blanton
Member	Mrs. Jimmie Nolen
Member	Mr. David Bibens

Superintendent of Schools

Dr. Pam Deering

School District Treasurer

Kay Medcalf

Chief Financial Officer

Kay Medcalf

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
 OKLAHOMA COUNTY, OKLAHOMA
 SCHOOL DISTRICT OFFICIALS
 JUNE 30, 2013

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 OKLAHOMA COUNTY, OKLAHOMA
 SCHOOL DISTRICT OFFICIALS
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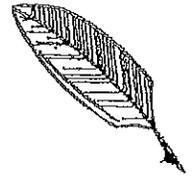
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2013, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my 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 financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Midwest City-Del City School District as of June 30, 2013, and the respective changes in its financial position and, where applicable, cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary 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 the Governmental Auditing Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

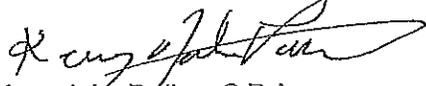
Other Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial and other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information including the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 7, 2014, on my consideration of Midwest City-Del City School District No. 1-52, Oklahoma County, Oklahoma's, internal control over financial reporting and on 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 my 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.



Kerry John Patten, C.P.A.
Broken Arrow, OK
January 7, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

MIDWEST CITY – DEL CITY INDEPENDENT SCHOOL DISTRICT NO. I-52
 Management's Discussion and Analysis
 June 30, 2013

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, 2013. 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 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 position 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. I-52
 Management's Discussion and Analysis
 June 30, 2013

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.

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 position 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 position*. Net position – 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.

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.

MIDWEST CITY – DEL CITY INDEPENDENT SCHOOL DISTRICT NO. I-52
 Management's Discussion and Analysis
 June 30, 2013

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	2012	2013
Current and Other Assets	\$71.7	\$66.8
Capital assets	237.0	233.6
Total assets	\$308.7	\$300.4
Long-term debt outstanding	\$120.6	\$109.9
Other liabilities	11.6	14.8
Total liabilities	\$132.2	\$124.7
Net assets:		
Invested in capital assets, net of debt	\$116.2	\$123.7
Restricted	51.7	36.8
Unrestricted	8.4	15.2
Total net assets	\$176.5	\$175.7

MIDWEST CITY – DEL CITY INDEPENDENT SCHOOL DISTRICT NO. I-52
 Management's Discussion and Analysis
 June 30, 2013

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

	2012	2013	Difference
Revenues			
Program revenues			
Charges for services	\$2.8	\$2.6	(\$).2
Federal and State grants	18.7	19.0	.3
Other	.0	.0	.0
General revenues			
Property taxes	30.6	31.2	.6
Other taxes	18.6	18.1	(.5)
Federal entitlement	.0	.0	.0
State entitlement	45.0	46.2	1.2
Other general revenues	1.9	1.5	(.4)
Total revenues	\$117.6	\$118.6	\$1.0
Expenses			
Program expenses			
Instruction	\$60.0	\$59.7	(.3)
Support services	40.0	41.3	1.3
Non-instruction	6.0	7.3	1.3
Interest on long-term debt	.4	.7	.3
Depreciation-unallocated	6.9	7.1	.2
Capital Outlay	1.7	.7	(1.0)
Other Outlays/uses	1.3	1.2	(.1)
Workers Compensation Insurance	.3	1.1	.8
Total expenses	\$116.6	\$119.1	2.5
Incr(Decr) in Revenues over Expenses	1.0	(.5)	(1.5)
Ending Net Assets	\$176.5	\$175.7	(\$).8

Changes in Net Position:

The Ending Net Assets decreased by \$.8 million over the prior fiscal year. Federal revenues continued to decline and now we will need to be watchful as sequestration is being considered. In preparation of the sequestration we carried over \$1.2 million in Federal funds to FY 14. State revenues remained fairly flat other than a small increase due to student growth. Total expenditures increased \$2.5 million but only by \$1.7 million when you break out the Workers Compensation. The cost of doing business in both the Co-Op and Child Nutrition fund has continued to increase. The Building Fund has taken on more routine costs which could increase in FY14 where we will have a 3 month overlap of both the new schools and closing schools expense on our books.

MIDWEST CITY – DEL CITY INDEPENDENT SCHOOL DISTRICT NO. I-52
Management's Discussion and Analysis
June 30, 2013

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 \$61.6 million, compared to \$59.1 million in FY12.

General Fund Budgetary Highlights

The General Fund budget in FY13 decreased by \$2 Million to maintain an adequate fund balance. The General Fund fund balance for FY13 increased from 6.39% or \$5,666,628.54 in FY12 to 7.77% or \$6,659,798.80. This fund balance increase was due primarily to the carryover of \$1.2 million in federal dollars to help offset sequestration for FY14 and all purchase orders that were open were rolled to FY 14 therefore lowering our total expense for the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2013, the District had expended \$4.1 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 opening for FY 15, 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 second series of these monies in January 2013 as GO bonds in the amount of \$11.1 million. In March of 2013, \$11.1 million was our first payment back to the trustee bank for the lease revenue bonds.

Long-term Debt

At year-end the District had \$36.9 million in total long-term GO debt outstanding. This is a increase from last year's amount of \$0.8 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 \$21.8 million of outstanding GO bonds.
- \$11.1 million in new GO debt was issued during the year and that with our rental payment of \$3,000 made our first payment on the Lease Revenue Bonds.

MIDWEST CITY -- DEL. CITY INDEPENDENT SCHOOL DISTRICT NO. I-52
Management's Discussion and Analysis
June 30, 2013

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.

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
 STATEMENT OF NET POSITION
 JUNE 30, 2013

	Governmental Activities
<u>ASSETS</u>	
Cash and cash equivalents	\$ 60,968,573
Property tax receivable	1,162,280
Due from other governments	4,310,236
Miscellaneous receivables	386,333
Inventories	
Capital assets	
Land	16,552,576
Construction in Progress	87,029,880
Other capital assets, net of accumulated depreciation	130,061,664
 Total Assets	 \$ 300,471,542
<u>LIABILITIES</u>	
Accounts payable	\$ 2,398,659
Wages payable	11,338,859
Liabilities for Incurred Claims	607,315
Accrued Interest	435,382
Long-term liabilities	
Due within one year	21,260,000
Due in more than one year	88,689,112
 Total Liabilities	 \$ 124,729,327
<u>NET POSITION</u>	
Invested in Capital Assets, net of related debt	\$ 123,695,008
Reserved for:	
Debt service	11,118,683
Child Nutrition	1,584,765
Capital projects	19,491,903
Buildings-restricted net assets	4,519,000
Workers Compensation	153,910
Unrestricted	15,178,946
 Total Net Position	 \$ 175,742,215

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants & Contributions	Revenue and Changes in Net Assets
				Governmental Activities
Governmental Activities				
Instruction	\$ (59,653,166)	\$ 56,852	\$ 9,598,546	\$ (49,997,768)
Support services	(41,315,574)	-	3,994,380	(37,321,194)
Non-Instruction services	(7,334,063)	1,823,894	5,213,337	(296,832)
Interest on long-term debt	(732,770)	-	-	(732,770)
Capital outlay	(745,009)	-	40,250	(704,759)
Other outlays	(941,515)	-	199,000	(742,515)
Repayment	(221,656)	-	-	(221,656)
Depreciation - unallocated	(7,091,052)	-	-	(7,091,052)
Business - type activities				
Workers' compensation insurance	(1,142,381)	713,935	-	(428,446)
Total School District	\$ (119,177,186)	\$ 2,594,681	\$ 19,045,513	\$ (97,536,992)

General revenues

Taxes:

Property taxes, levied for general purposes	\$ 17,049,760
Property taxes, levied for building purposes	2,418,385
Property taxes, levied for debt service	11,785,060
General Taxes	18,095,925
State aid - not reserved to specific purposes:	46,162,949
Other	1,376,251
Interest earnings	146,846
Total general revenues	97,035,176

Changes in net position (501,816)

Loss on fixed asset disposal (296,455)

Net position - beginning 176,540,486

Net position - ending \$ 175,742,215

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2013

	Internal Service Fund - Workers' <u>Compensation</u>
ASSETS	
Cash	\$ <u>761,225</u>
Total assets	\$ <u>761,225</u>
LIABILITIES	
Liability for incurred claims	\$ <u>607,315</u>
Total liabilities	\$ <u>607,315</u>
NET ASSETS	
Unrestricted	\$ <u><u>153,910</u></u>

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION- PROPRIETARY FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Internal Service Fund-Workers' Compensation</u>
Operating Revenues	
Charges to other funds	\$. -
Other	<u>13,540</u>
Total operating revenues	\$ <u>13,540</u>
Operating Expenses	
Instruction	\$ -
Support services	-
Other uses of funds	<u>1,142,381</u>
Total operating expenses	\$ <u>1,142,381</u>
Operating expenses over revenues	\$ <u>(1,128,841)</u>
Non-operating Revenue	
Interest income	\$ 395
Other financing sources	<u>700,000</u>
Total non-operating Revenue	\$ <u>700,395</u>
Change in net assets	\$ (428,446)
Beginning net assets	\$ <u>582,356</u>
Ending net assets	\$ <u><u>153,910</u></u>

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, 2013

	<u>Internal Service Fund-Workers' Compensation</u>
Cash flows from operating activities	
Received from assessments made to other funds	\$ 700,000
Miscellaneous	13,540
Payments for workers' compensation claims	<u>(795,066)</u>
Net cash provided by operating activities	\$ <u>(81,526)</u>
Cash flows from investing activities	
Interest on investments	\$ <u>395</u>
Net cash provided by investing activities	\$ <u>395</u>
Net increase in cash	\$ (81,131)
Cash and cash equivalents at beginning of year	\$ <u>842,356</u>
Cash and cash equivalents at end of year	\$ <u><u>761,225</u></u>

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
BALANCE SHEET
GOVERNMENTAL FUND TYPES
JUNE 30, 2013

	General Fund	Debt Service Fund	Building Fund	Bond 33	Child Nutrition	Coop	Other Governmental Funds	Total Governmental Funds
ASSETS								
Pooled Cash and Investments	\$ 17,172,946	\$ 12,177,295	\$ 12,757,164	\$ 3,025,432	\$ 1,865,463	\$ 2,337,961	\$ 10,771,088	\$ 60,207,343
Property Taxes Receivable, Net	607,372	468,191	65,717	-	-	-	-	1,162,280
Due from Other Governments	3,709,155	-	-	-	23,584	571,497	-	4,310,236
Due from Fiduciary Fund	-	-	-	-	-	-	-	-
Inventories-Supplies, Materials	239,744	-	77,469	-	89,096	-	-	399,309
Total assets	\$ 21,729,217	\$ 12,645,486	\$ 12,921,374	\$ 3,025,432	\$ 2,064,143	\$ 2,909,458	\$ 10,771,088	\$ 66,066,198
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 453,859	\$ -	\$ 152,532	\$ 585,144	\$ 97,084	\$ 97,922	\$ 1,012,118	\$ 2,398,559
Accrued Wages	10,614,745	-	-	-	382,294	441,820	-	11,338,859
Deferred revenue	369,227	304,092	52,715	-	-	-	-	726,034
Total Liabilities	\$ 11,337,831	\$ 304,092	\$ 205,247	\$ 585,144	\$ 479,378	\$ 539,742	\$ 1,012,118	\$ 14,468,552
Fund balances:								
Nonspendable Fund Balances:								
Inventories	\$ 239,744	\$ -	\$ 77,469	\$ -	\$ 89,096	\$ -	\$ -	\$ 399,309
Restricted Fund Balances:								
School Construction	-	-	-	2,440,288	-	-	4,105,882	6,547,170
Retirement of Long-Term Debt	-	12,341,394	-	-	-	-	-	12,341,394
Other Restrictions of Fund Balance	-	-	12,636,634	-	1,515,663	-	4,759,524	18,913,827
Committed Fund Balances:								
Encumbrances	-	-	-	-	-	-	-	-
Minimum Fund Balance Requirement	5,266,236	-	-	-	-	-	-	5,266,236
Assigned Fund Balances:								
Other Assigned Fund Balance	-	-	-	-	-	-	892,564	892,564
Unassigned	4,885,406	-	-	-	-	2,369,716	-	7,255,122
Total Fund Balances	\$ 10,391,386	\$ 12,341,394	\$ 12,716,127	\$ 2,440,288	\$ 1,584,765	\$ 2,369,716	\$ 9,758,970	\$ 51,602,646
Total Liabilities and Fund Balances	\$ 21,729,217	\$ 12,645,486	\$ 12,921,374	\$ 3,025,432	\$ 2,064,143	\$ 2,909,458	\$ 10,771,088	\$ 66,066,198

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 \$302,224,859 and the accumulated depreciation is \$69,690,240.

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.

An internal services 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 services fund are included with governmental activities.

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	\$
Compensated Absences	36,950,000
Leases Payable	2,562,112
Accrued Interest	70,437,000
	489,362

Total Net Position - Governmental Activities

(110,884,494)
175,742,215

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General	Debt Service	Building	Bond 33	Child Nutrition	Coop	Other Governmental Funds	Governmental Funds
Revenues								
Property Tax	\$ 17,027,145	\$ 11,772,875	\$ 2,430,300	\$ -	\$ -	\$ -	\$ -	\$ 31,230,320
Interest	97,842	-	17,594	-	7,036	6,618	17,756	146,846
County	3,670,606	-	-	-	-	-	-	3,670,606
State	57,817,687	2,145	463	-	363,020	2,017,838	-	60,201,153
Federal	8,098,731	-	741,482	-	5,003,868	1,121,521	-	14,965,600
Local	324,899	-	-	-	1,823,894	2,663,498	1,902,137	6,714,368
Other	733,693	225,336	229	28,939	2,925	6,790	10,474	1,008,386
Total Revenues	\$ 87,770,603	\$ 12,000,356	\$ 3,172,474	\$ 46,533	\$ 7,200,741	\$ 5,816,203	\$ 1,930,367	\$ 117,937,277
Expenditures								
Instruction	\$ 55,249,624	\$ -	\$ -	\$ 208,382	\$ -	\$ 3,515,702	\$ 993,183	\$ 59,966,891
Support services	32,106,802	-	3,411,000	2,081,193	-	2,756,583	2,018,208	42,375,786
Non-instruction services	76,143	-	-	241,412	7,010,363	-	-	7,927,918
Capital outlays	-	-	57,562	2,007,881	-	-	-	3,764,459
Other outlays	493,763	-	229	28,939	435,342	(16,778)	1,699,016	941,515
Debt Service	-	-	-	-	-	-	-	-
Principal Paid	-	10,330,000	-	11,143,000	-	-	-	21,473,000
Interest Paid	-	584,115	-	-	-	-	-	584,115
Repayments	108	-	-	-	-	220,000	1,548	221,658
Total expenditures	\$ 87,928,460	\$ 10,914,115	\$ 3,468,791	\$ 15,710,807	\$ 7,445,705	\$ 6,475,507	\$ 4,711,955	\$ 136,655,340
Excess (deficiency) of revenues over expenditures	\$ (157,857)	\$ 1,086,241	\$ (296,317)	\$ (15,664,274)	\$ (2,444,964)	\$ (659,304)	\$ (2,781,588)	\$ (18,718,063)
Other Financing Sources (Uses):								
Proceeds of bonds	\$ -	\$ -	\$ -	\$ 11,180,000	\$ -	\$ -	\$ -	\$ 11,180,000
Sale of Real Property	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ 11,180,000	\$ -	\$ -	\$ -	\$ 11,180,000
Net change in fund balance	\$ (157,857)	\$ 1,086,241	\$ (296,317)	\$ (4,484,274)	\$ (2,444,964)	\$ (659,304)	\$ (2,781,588)	\$ (7,538,063)
Beginning fund balance	10,549,243	11,255,153	13,012,444	6,924,562	1,829,729	3,029,020	12,540,558	59,140,709
Ending fund balances	\$ 10,391,386	\$ 12,341,394	\$ 12,716,127	\$ 2,440,288	\$ 1,584,765	\$ 2,369,716	\$ 9,758,970	\$ 51,602,646

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
 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, 2013

Total net change in fund balances - governmental funds \$ (7,538,063)

Amounts reported for governmental activities in the Statement of Activities,
 are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position 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.

Capital outlay expenditures	\$	4,104,685	
Depreciation expense		(7,091,052)	
Retirements and adjustments		(385,870)	(3,372,237)

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. 24,157

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 Position and does not affect the Statement of Activities. (11,180,000)

Repayment of bond principal and repayment on capital lease purchases are an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the the Statement of Activities. 21,473,000

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. 371,973

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 position of the internal service fund is reported with governmental activities. (428,446)

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. (148,655)

Change in Net Position - Statement of Activities \$ (798,271)

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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. 1-52 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 basic 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 basic financial statements to be misleading or incomplete.

B. Basis of Presentation

The Government-Wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities and Changes in Net Position) 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. 1-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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 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 proprietary fund:

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 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. 1-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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. The District reports the following Fiduciary Funds:

Agency Fund – The District's Activity Fund is 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, 2013

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 Position 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. 1-52
 OKLAHOMA COUNTY, OKLAHOMA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, consist of the following:

General Fund

Maintenance	\$ 77,496
Transportation	20,283
Warehouse	141,965

Building Fund

Maintenance	77,493
-------------	--------

Child Nutrition

Supplies	<u>69,096</u>
Total	\$ <u>386,333</u>

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, 2013

Summary of Significant Accounting Policies (continued)

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 appropriable 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 taxes are delinquent and unpaid for a period of three (3) years or more the real estate may be sold for taxes.

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.

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.

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Summary of Significant Accounting Policies (continued)

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 or 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.
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.

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
 OKLAHOMA COUNTY, OKLAHOMA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

Deposit Categories of Credit Risk (continued)

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, 2013, 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, 2013, 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>
Receivables					
Ad valorem taxes	\$ 607,372	\$ 86,717	\$ 468,191	\$ -	\$ -
Federal grants	2,398,142	-	-	149,210	29,584
Local & Intermediate	231,395	-	-	344,788	-
State dedicated revenue	<u>1,079,618</u>	<u>-</u>	<u>-</u>	<u>77,499</u>	<u>-</u>
Gross Receivables	4,316,527	86,717	468,191	571,497	29,584
Less allowance for uncollectibles	<u>369,227</u>	<u>52,715</u>	<u>304,092</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 3,947,300</u>	<u>\$ 34,002</u>	<u>\$ 164,099</u>	<u>\$ 571,497</u>	<u>\$ 29,584</u>

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

5. Capital Assets

A summary of changes in general fixed assets for the year ended June 30, 2013, follows:

	Balance June 30, 2012	Additions	Transfers	Deletions	Balance June 30, 2013
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 16,427,576	\$ 125,000	\$ -	\$ -	\$ 16,552,576
Construction in Progress	90,132,114	3,077,220	(6,090,039)	89,415	87,029,880
Total Capital assets, not being depreciated:	\$ 106,559,690	\$ 3,202,220	\$ (6,090,039)	\$ 89,415	\$ 103,582,456
Capital assets being depreciated:					
Buildings & Renovations	170,837,335	-	5,878,220	-	176,715,554
Furniture & Accessories	391,361	15,766	-	-	407,127
Equipment & Appliances	7,941,627	183,194	117,962	75,187	8,167,596
Computer Software/Hardware	6,351,694	274,198	49,857	217,469	6,458,280
Vehicles/Buses	6,609,000	429,307	44,000	188,960	6,893,347
Total capital assets being depreciated:	192,131,017	902,465	6,090,039	481,616	198,641,904
Less accumulated depreciation:	61,674,350	7,091,052	-	185,161	68,580,240
Total capital assets being depreciated, Net of Accumulated Depreciation	130,456,667	(6,188,587)	6,090,039	296,455	130,061,664
Total-All Capital Assets-Net Governmental Activities	\$ 237,016,357	\$ (2,986,367)	\$ -	\$ 385,870	\$ 233,644,120

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, leases 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, 2013:

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013
Bonds Payable	\$ 36,100,000	11,180,000	10,330,000	\$ 36,950,000
Leases Payable	81,580,000	-	11,143,000	70,437,000
Compensated Absences	2,934,085	-	371,973	2,562,112
Total	\$ 120,614,085	11,180,000	21,844,973	\$ 109,949,112

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
 OKLAHOMA COUNTY, OKLAHOMA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

General Long-Term Debt (continued)

A brief description of the outstanding general obligation bond issues at June 30, 2013, is set forth below:

	Amount Outstanding
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.	\$ 2,785,000
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 October 1, 2014.	7,040,000
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.	7,305,000
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 beginning 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 2013, original issue \$11,180,000, average interest rate of 1.75%, with the first installment of \$2,795,000 due January 1, 2015, and final payment of \$2,795,000 due July 1, 2018.	11,180,00
Total Bonds Outstanding	\$ 36,950,000

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
 OKLAHOMA COUNTY, OKLAHOMA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

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
2014	\$ 10,900,000	\$ 608,307	\$ 11,508,307
2015	10,910,000	555,410	11,465,410
2016	7,390,000	302,800	7,692,800
2017	4,955,000	155,000	5,110,000
2018	2,795,000	55,900	2,850,900
Total	\$ 36,950,000	\$ 1,677,417	\$ 38,627,417

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 2013. The first series, amounting to \$11,180,000 was issued in January, 2015.

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, 2013, totaled \$2,562,112 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	\$ 2,179,253
Co-op	335,701
Child Nutrition	47,158
Total	<u>\$ 2,562,112</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, 2013

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
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	3,000	14,100,000	14,103,000
2019	3,000	10,360,000	10,363,000
Total	\$ 18,000	\$ 70,440,000	\$ 70,458,000

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 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, 2013, 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.

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.

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
 OKLAHOMA COUNTY, OKLAHOMA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

Employee Retirement System (continued)

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, 2013, is as follows:

		Dollars in Millions
Actuarial Accrued Liability	\$	18,973
Actuarial Value of Assets		10,861
Unfunded Actuarial Accrued Liability	\$	8,112

Funding Policy

A participant with five (5) 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 (3) 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 (10) 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 five (5) years of credited service, the beneficiary is entitled to a death benefit of \$18,000 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 2013, 2012 and 2011 were \$4,533,728, \$4,497,198, and \$4,639,178, respectively. The District's total payroll for fiscal year 2012-13 amounted to \$70,726,329.

On Behalf Contributions

The State of Oklahoma makes retirement contributions each year for teachers employed by Oklahoma School Districts. The contribution amounts are based on the teacher's years of service and amounts paid are prescribed by O.S. 70 Section 17-108.2 subsection A. During fiscal year 2012-13, the State of Oklahoma's contribution was \$552,897. The District recognized revenue and expenditures of this amount during the year.

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
 OKLAHOMA COUNTY, OKLAHOMA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

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	DCHS Basketball
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	Lady Bombers Basketball Booster Club
CAJH Cheer Parents Association	MCHS Boys Basketball Tip In Club
Highland Park PTA	Del City High School Choral Boosters
Carl Albert Junior High PTSA	Del City Take Down Club
CAHS Vocal Music	MCHS Band Parents Association
Midwest City HS Band	Midwest City HS Homerun Club
CAHS Cross Country	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
Monronev Band Boosters	MCHS Soccer Booster Club
Monronev PTSA	Pleasant Hill Elementary PTA
Jarman MS Band Parents Assoc.	MCHS Bomber Volleyball Booster Club
Del Crest PTA	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	

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 \$607,315. Changes in the reserve amount during fiscal year 2013 were as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2012-2013	\$ 260,000	\$ 1,142,381	\$ 795,066	\$ 267,315

There have been no significant reductions in insurance coverage during the fiscal year 2013.

MIDWEST CITY-DEL. CITY SCHOOL DISTRICT NO. 1-52
 OKLAHOMA COUNTY, OKLAHOMA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

12. Surety Bonds

The District has a Position Schedule Bond with Ohio Casualty Insurance Agency Bond #3929702, for the period of July 1, 2012 to June 30, 2013, covering the following positions/amounts:

Superintendent	\$100,000
Treasurer	360,000
Assistant Treasurer	100,000
Encumbrance Clerk	100,000
Minutes Clerk	25,000
Child Nutrition Custodian	25,000
Activity Fund Custodian	25,000
Payroll Clerk	100,000

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, 2013, 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 \$322,418 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 2012-13 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, 2013.

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

REQUIRED SUPPLEMENTARY INFORMATION

MIDWEST CITY-DEL. CITY SCHOOL DISTRICT NO. 1-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>			Variance Favorable (Unfavorable)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Property Tax	\$ 16,989,122	\$ 17,375,124	\$ 17,217,248	\$ (157,876)
Interest	160,000	160,000	97,842	(62,158)
County	3,350,000	3,460,581	3,704,277	243,696
State	54,903,709	56,435,394	57,169,835	
Federal	8,975,146	8,189,778	7,201,044	
Local	129,800	251,802	366,573	
Other	-	-	-	-
Total revenues	<u>\$ 84,507,777</u>	<u>\$ 85,872,679</u>	<u>\$ 85,756,819</u>	<u>\$ 23,662</u>
Expenditures:				
Instruction	\$ 56,590,031	\$ 55,989,294	\$ 54,092,576	\$ 1,896,718
Support services	30,640,844	32,554,370	31,364,117	
Non-Instruction services	-	76,372	76,143	229
Capital outlays	-	-	-	-
Other outlays	1,200,362	842,974	494,928	348,046
Debt Service				
Principal Paid	-	-	-	-
Interest Paid	-	-	-	-
Repayments	-	-	108	(108)
Total expenditures	<u>\$ 88,431,237</u>	<u>\$ 89,463,010</u>	<u>\$ 86,027,872</u>	<u>\$ 2,244,885</u>
Excess of revenues over (under) expenditures	\$ (3,923,460)	\$ (3,590,331)	\$ (271,053)	\$ (3,319,278)
Other financing sources (uses):				
Non-revenue sources	\$ 1,254,400	\$ 1,148,061	\$ 733,693	\$ 414,368
Excess of revenues and other sources of funds over (under) expenditures	\$ (2,669,060)	\$ (2,442,270)	\$ 462,640	\$ (2,904,910)
Fund balance, beginning of year	\$ 5,804,031	\$ 5,666,628	\$ 5,666,629	\$ -
Fund balance, end of year (Budgetary Basis)	<u>\$ 3,134,971</u>	<u>\$ 3,224,358</u>	\$ 6,129,269	<u>\$ (2,904,910)</u>
Adjustments to conform with GAAP				
Receivables at year end			3,947,300	
Accounts payable at year end			(453,858)	
Lapsed encumbrances at year end			528,931	
Inventory at year end			239,744	
Fund balance, end of year (GAAP basis)			<u>\$ 10,391,386</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
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>			Variance Favorable (Unfavorable)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Property Tax	\$ 2,421,448	\$ 2,421,448	\$ 2,443,504	\$ 22,056
Interest	-	-	-	-
County	-	-	-	-
State	173	173	463	290
Federal	-	-	741,482	741,482
Local	-	-	-	-
Other	-	-	229	229
	<u>\$ 2,421,621</u>	<u>\$ 2,421,621</u>	<u>\$ 3,185,678</u>	<u>\$ 764,057</u>
Total revenues				
Expenditures:				
Instruction	\$ -	\$ -	\$ -	-
Support services	5,847,775	5,790,213	3,325,843	2,464,370
Non-instruction services	-	-	-	-
Capital outlays	-	57,562	57,562	-
Other outlays	718,894	718,894	229	718,665
	<u>\$ 6,566,669</u>	<u>\$ 6,566,669</u>	<u>\$ 3,383,634</u>	<u>\$ 3,183,035</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>\$ (4,145,048)</u>	<u>\$ (4,145,048)</u>	<u>\$ (197,956)</u>	<u>\$ 3,947,092</u>
Other financing sources (uses) :				
Non-revenue sources	\$ 300,000	\$ 300,000	\$ -	\$ (300,000)
Sale of property	-	-	-	-
Excess of revenues and other sources of funds over (under) expenditures	<u>\$ (3,845,048)</u>	<u>\$ (3,845,048)</u>	<u>\$ (197,956)</u>	<u>\$ 3,647,092</u>
Fund balance, beginning of year	<u>\$ 10,954,285</u>	<u>\$ 10,954,285</u>	<u>\$ 12,586,937</u>	<u>\$ (1,632,652)</u>
Fund balance, end of year (Budgetary Basis)	<u>\$ 7,109,237</u>	<u>\$ 7,109,237</u>	<u>\$ 12,388,981</u>	<u>\$ 2,014,440</u>
Adjustments to conform with GAAP				
Receivables at year end			34,002	
Accounts payable at year end			(152,532)	
Inventories at year end			77,493	
Lapsed encumbrances at year end			<u>368,183</u>	
Fund balance, end of year (GAAP basis)			<u>\$ 12,716,127</u>	

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
COOP FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Tax	\$ -	\$ -	\$ -	-
Interest	-	-	6,618	6,618
County	-	-	-	-
State	1,877,665	2,111,897	2,029,862	(82,035)
Federal	1,330,000	1,423,729	1,149,259	(274,470)
Local	2,808,318	2,984,478	3,102,129	117,651
Other	-	-	-	-
Total revenues	\$ 6,015,983	\$ 6,520,104	\$ 6,287,868	\$ (232,236)
Expenditures:				
Instruction	\$ 3,848,236	\$ 3,891,973	\$ 3,419,704	\$ 472,269
Support services	2,825,445	2,926,067	2,711,365	214,702
Non-instruction services	-	-	-	-
Capital outlays	-	-	-	-
Other outlays	74,773	233,552	(29,441)	262,993
Debt Service				
Principal Paid	-	-	-	-
Interest Paid	-	-	-	-
Repayments	-	-	220,000	(220,000)
Total expenditures	\$ 6,748,454	\$ 7,051,592	\$ 6,321,628	\$ 729,964
Excess of revenues over (under) expenditures	\$ (732,471)	\$ (531,488)	\$ (33,760)	\$ 497,728
Other financing sources (uses):				
Non-revenue sources	\$ 149,500	\$ 152,203	\$ 6,790	\$ (145,413)
Excess of revenues and other sources of funds over (under) expenditures	\$ (582,971)	\$ (379,285)	\$ (26,970)	\$ 352,315
Fund balance, beginning of year	\$ 1,958,785	\$ 1,819,683	\$ 1,819,683	-
Fund balance, end of year (Budgetary Basis)	\$ 1,375,814	\$ 1,440,398	\$ 1,792,713	\$ 352,315
Adjustments to conform with GAAP				
Receivables at year end			571,497	
Accounts payable at year end			(97,924)	
Lapsed encumbrances at year end			103,430	
Fund balance, end of year (GAAP basis)			\$ 2,369,716	

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 BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
CHILD NUTRITION FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Interest	\$ -	\$ -	\$ 7,036	\$ 7,036
County	-	-	-	-
State	341,105	355,053	363,020	7,967
Federal	4,535,804	4,538,435	4,655,560	117,125
Local	1,935,000	1,935,000	1,835,295	(99,705)
Other	-	-	-	-
Total revenues	\$ 6,811,909	\$ 6,828,488	\$ 6,860,911	\$ 32,423
Expenditures:				
Instruction	\$ -	\$ -	\$ -	-
Support services	-	-	-	-
Non-instruction services	6,625,780	6,824,597	6,583,089	241,508
Capital outlays	-	-	-	-
Other outlays	434,160	485,343	435,342	50,001
Total expenditures	\$ 7,059,940	\$ 7,309,940	\$ 7,018,431	\$ 291,509
Excess of revenues over (under) expenditures	\$ (248,031)	\$ (481,452)	\$ (157,520)	\$ 323,932
Other financing sources (uses):				
Non-revenue sources	\$ 62,750	\$ 62,750	\$ 2,925	\$ 65,675
Excess of revenues and other sources of funds over (under) expenditures	\$ (185,281)	\$ (418,702)	\$ (154,595)	\$ (264,107)
Fund balance, beginning of year	\$ 1,317,632	\$ 1,634,981	\$ 1,634,981	-
Fund balance, end of year (Budgetary Basis)	\$ 1,132,351	\$ 1,216,279	\$ 1,480,386	\$ (264,107)
Adjustments to conform with GAAP				
Accounts receivable at year end			29,584	
Accounts payable at year end			(97,084)	
Inventories at year end			69,096	
Lapsed encumbrances at year end			102,783	
Fund balance, end of year (GAAP basis)			\$ 1,584,765	

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
INSURANCE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Interest	\$ -	\$ -	\$ -	-
County	-	-	-	-
State	-	-	-	-
Federal	-	-	-	-
Local	756,821	710,918	317,789	(393,129)
Other	-	-	-	-
Total revenues	\$ 756,821	\$ 710,918	\$ 317,789	\$ (393,129)
Expenditures:				
Instruction	\$ 34,791	\$ 50,673	\$ 40,435	\$ 10,238
Support services	1,161,183	1,099,398	88,262	-
Non-instruction services	-	-	-	-
Capital outlays	-	-	-	-
Other outlays	-	-	-	-
Debt Service	-	-	-	-
Principal Paid	-	-	-	-
Interest Paid	-	-	-	-
Repayments	-	-	-	-
Total expenditures	\$ 1,195,974	\$ 1,150,071	\$ 128,697	\$ 10,238
Excess of revenues over (under) expenditures	\$ (439,153)	\$ (439,153)	\$ 189,092	\$ (382,891)
Adjustments to prior year encumbrances	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses) :				
Non-revenue sources	\$ -	\$ -	\$ -	\$ -
Excess of revenues and other sources of funds over (under) expenditures	\$ (439,153)	\$ (439,153)	\$ 189,092	\$ (382,891)
Fund balance, beginning of year	\$ 439,153	\$ 439,153	\$ 830,626	\$ (391,473)
Fund balance, end of year (Budgetary Basis)	\$ -	\$ -	\$ 1,019,718	\$ (774,364)
Adjustments to conform with GAAP				
Accounts payable at year end			(128,811)	
Lapsed encumbrances at year end			1,657	
Fund balance, end of year (GAAP basis)			\$ 892,564	

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
TECH CENTER BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>			Variance Favorable (Unfavorable)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Property Tax	\$ -	\$ -	\$ -	-
Interest	-	-	-	-
County	-	-	-	-
State	-	-	-	-
Federal	-	-	-	-
Local	1,449,399	1,541,868	1,576,372	34,504
Other	-	-	-	-
Total revenues	\$ 1,449,399	\$ 1,541,868	\$ 1,576,372	\$ 34,504
Expenditures:				
Instruction	\$ 222,028	\$ 268,509	\$ 108,885	\$ (159,624)
Support services	740,473	740,241	423,046	-
Non-instruction services	-	-	-	-
Capital outlays	337,500	791,250	139,689	(651,561)
Other outlays	-	-	-	-
Debt Service	-	-	-	-
Principal Paid	-	-	-	-
Interest Paid	-	-	-	-
Repayments	-	-	-	-
Total expenditures	\$ 1,300,001	\$ 1,800,000	\$ 671,620	\$ (811,185)
Excess of revenues over (under) expenditures	\$ 149,398	\$ (258,132)	\$ 904,752	\$ (776,681)
Other financing sources (uses) :				
Non-revenue sources	\$ 36,948	\$ 37,469	\$ 10,474	-
Excess of revenues and other sources of funds over (under) expenditures	\$ 186,346	\$ (220,663)	\$ 915,226	\$ (776,681)
Fund balance, beginning of year	\$ 3,826,524	\$ 4,257,122	\$ 4,257,122	-
Fund balance, end of year (Budgetary Basis)	<u>\$ 4,012,870</u>	<u>\$ 4,036,459</u>	5,172,348	<u>(776,681)</u>
Adjustments to conform with GAAP				
Receivables at year end			-	
Accounts payable at year end			(439,770)	
Lapsed encumbrances at year end			26,943	
Fund balance, end of year (GAAP basis)			<u>\$ 4,759,521</u>	

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
 DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>			Variance Favorable (Unfavorable)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Property Tax	\$ 10,786,933	\$ 11,252,249	\$ 11,885,883	\$ 633,634
Interest	-	-	-	-
County	-	460	2,145	1,685
State	-	-	-	-
Federal	-	-	-	-
Local	-	-	225,336	225,336
Other	-	-	-	-
Total revenues	<u>\$ 10,786,933</u>	<u>\$ 11,252,709</u>	<u>\$ 12,113,364</u>	<u>\$ 860,655</u>
Expenditures:				
Instruction	-	-	-	-
Support services	-	-	-	-
Non-instruction services	-	-	-	-
Capital outlays	-	-	-	-
Other outlays	-	-	-	-
Debt Service	20,000,000	21,895,503	10,330,000	(11,565,503)
Principal Paid	-	-	584,115	584,115
Interest Paid	-	-	-	-
Repayments	-	-	-	-
Total expenditures	<u>\$ 20,000,000</u>	<u>\$ 21,895,503</u>	<u>\$ 10,914,115</u>	<u>\$ (10,981,388)</u>
Excess of revenues over (under) expenditures	<u>\$ (9,213,067)</u>	<u>\$ (10,642,794)</u>	<u>\$ 1,199,249</u>	<u>\$ (10,120,733)</u>
Other sources of funds - premium on bonds sold	-	-	-	-
Excess of revenues and other sources of funds over (under) expenditures	<u>\$ (9,213,067)</u>	<u>\$ (10,642,794)</u>	<u>\$ 1,199,249</u>	<u>\$ 11,842,043</u>
Fund balance, beginning of year	<u>\$ 10,996,979</u>	<u>\$ 10,978,046</u>	<u>\$ 10,978,046</u>	<u>\$ -</u>
Fund balance, end of year (Budgetary Basis)	<u>\$ 1,783,912</u>	<u>\$ 335,252</u>	<u>\$ 12,177,295</u>	<u>\$ 11,842,043</u>
Adjustments to conform with GAAP			164,099	
Receivables at year end			-	
Accounts payable at year end			-	
Fund balance, end of year (GAAP basis)			<u>\$ 12,341,394</u>	

OTHER SUPPORTING INFORMATION

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
 COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS BALANCE SHEET
 JUNE 30, 2013

	MAPS	Tech Center Building Fund	Bond 31	Bond 32	Bond 38	Bond 39	Casualty/ Insurance	Total Governmental Funds
ASSETS								
Pooled Cash	3	5,199,291	592,708	3,150,661	345,507	521,545	1,021,373	10,771,088
Due from Other Governments	-	-	-	-	-	-	-	-
Inventories - Supplies, materials	-	-	-	-	-	-	-	-
Due from Fiduciary Fund	-	-	-	-	-	-	-	-
Total assets	3	5,199,291	592,708	3,150,661	345,507	521,545	1,021,373	10,771,088
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	-	439,770	25,169	418,370	-	-	128,809	1,012,118
Accrued Wages	-	-	-	-	-	-	-	-
Total Liabilities	-	439,770	25,169	418,370	-	-	128,809	1,012,118
Fund balances:								
Nonspendable Fund Balances:								
Inventories	-	\$	-	-	-	-	-	-
Restricted Fund Balances:								
School Construction	-	-	507,539	2,732,291	345,507	521,545	-	4,106,882
Retirement of Long-Term Debt	-	-	-	-	-	-	-	-
Other Restrictions of Fund Balance	3	4,759,521	-	-	-	-	-	4,759,524
Committed Fund Balances:								
Encumbrances	-	-	-	-	-	-	-	-
Minimum Fund Balance Requirement	-	-	-	-	-	-	-	-
Assigned Fund Balances:								
Other Assigned Fund Balance	-	-	-	-	-	-	892,564	892,564
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	3	4,759,521	507,539	2,732,291	345,507	521,545	892,564	9,758,970
Total Liabilities and Fund Balances	3	5,199,291	592,708	3,150,661	345,507	521,545	1,021,373	10,771,088

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	MAPS	Tech Center Building Fund	Bond 31	Bond 32	Bond 38	Bond 39	Casualty/ Insurance	Governmental Funds
Revenues								
Interest State	\$ 427	\$ -	\$ 2,690	\$ 11,958	\$ 1,088	\$ 1,613	\$ -	\$ 17,756
Federal	-	-	-	-	-	-	-	-
Local	-	1,576,372	-	7,976	-	-	317,789	1,902,137
Other	-	10,474	-	-	-	-	-	10,474
Total Revenues	\$ 427	\$ 1,586,846	\$ 2,690	\$ 19,934	\$ 1,088	\$ 1,613	\$ 317,789	\$ 1,930,367
Expenditures								
Instruction	\$ -	\$ -	\$ 180,218	\$ 556,113	\$ -	\$ -	\$ 42,799	\$ 993,183
Support services	349,932	472,931	319,455	656,970	-	-	218,920	2,018,208
Non-instruction services	-	-	-	-	-	-	-	-
Capital outlays	288,640	451,272	39,457	892,494	-	-	27,153	1,699,016
Other outlays	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Principal Paid	-	-	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-	-	-
Repayments	1,548	-	-	-	-	-	-	1,548
Total expenditures	\$ 640,120	\$ 1,136,256	\$ 539,130	\$ 2,107,577	\$ -	\$ -	\$ 288,872	\$ 4,711,955
Excess (deficiency) of revenues over expenditures	\$ (639,693)	\$ 450,590	\$ (536,440)	\$ (2,087,643)	\$ 1,088	\$ 1,613	\$ 28,917	\$ (2,781,588)
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	\$ (639,693)	\$ 450,590	\$ (536,440)	\$ (2,087,643)	\$ 1,088	\$ 1,613	\$ 28,917	\$ (2,781,588)
Beginning fund balance	639,696	4,308,931	1,043,979	4,819,934	344,439	519,932	863,647	12,540,558
Ending fund balances	\$ 3	\$ 4,759,521	\$ 507,539	\$ 2,732,291	\$ 345,507	\$ 521,545	\$ 892,564	\$ 9,758,970

The accompanying notes are an integral part of these financial statements

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
 STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - FIDUCIARY FUNDS
 JUNE 30, 2013

	Fiduciary Fund Types			
	Private Purpose Trust Fund	Agency Funds		
	Gifts Fund	Federal Pell Grant Fund	Activity Fund	Total
ASSETS				
Cash	\$ 23,820	\$ 336	\$ 1,265,065	\$ 1,289,221
Receivables	-	-	-	-
Miscellaneous	-	-	-	-
Total assets	<u>\$ 23,820</u>	<u>\$ 336</u>	<u>\$ 1,265,065</u>	<u>\$ 1,289,221</u>
LIABILITIES AND NET POSITION				
Liabilities:				
Accounts payable	-	-	32,461	32,461
Due to other funds	-	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,461</u>	<u>\$ 32,461</u>
Net Position				
Held in trust	<u>\$ 23,820</u>	<u>\$ 336</u>	<u>\$ 1,232,604</u>	<u>\$ 1,256,760</u>
Total net position	<u>\$ 23,820</u>	<u>\$ 336</u>	<u>\$ 1,232,604</u>	<u>\$ 1,256,760</u>
Total liabilities and net position	<u>\$ 23,820</u>	<u>\$ 336</u>	<u>\$ 1,265,065</u>	<u>\$ 1,289,221</u>

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Fiduciary Fund Types			
	Private Purpose Trust Fund	Agency Funds		Total
	Gifts Fund	Federal Pell Grant Fund	Activity Fund	
Additions				
Contributions	\$ -	\$ 120,520	\$ -	\$ 120,520
Student organization fundraisers	-	-	2,951,033	2,951,033
Total additions	<u>\$ -</u>	<u>\$ 120,520</u>	<u>\$ 2,951,033</u>	<u>\$ 3,071,553</u>
Deductions				
Operating expenses	\$ -	\$ 120,305	\$ 2,914,509	\$ 3,034,814
Total deductions	<u>\$ -</u>	<u>\$ 120,305</u>	<u>\$ 2,914,509</u>	<u>\$ 3,034,814</u>
Change in net position	<u>\$ -</u>	<u>\$ 215</u>	<u>\$ 36,524</u>	<u>\$ 36,739</u>
Net position at beginning of year	<u>\$ 23,820</u>	<u>\$ 121</u>	<u>\$ 1,196,080</u>	<u>\$ 1,220,021</u>
Net position at year end	<u>\$ 23,820</u>	<u>\$ 336</u>	<u>\$ 1,232,604</u>	<u>\$ 1,256,760</u>

MIDWEST CITY-DEL CITY DISTRICT NO. 1-52
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2013

Activities	Balance 7/1/2012	Revenue	Adjustments	Disbursements	Balance 6/30/2013
Mid-Del Technology Center	\$ 143,924	\$ 262,769	\$ 3,500	\$ 248,869	\$ 161,324
Board Of Education Bldg	88,392	335,357	4,946	338,458	90,237
Barnes Elementary	28,941	100,825	273	91,369	38,670
Cleveland Bailey Elem	27,052	130,552	68	139,144	18,528
Country Estates Elem	4,891	70,416	74	65,893	9,488
Del City Elementary	25,674	59,046	259	56,164	28,815
East Side Elementary	17,688	76,496	198	76,643	17,739
Epperly Heights Elem	31,013	72,533	609	72,254	31,901
Pleasant Hill Elementary	10,643	51,600	49	47,555	14,737
Highland Park Elementary	18,943	41,696	96	47,821	12,914
Ridgecrest Elementary	5,472	123,222	139	121,946	6,887
Soldier Creek Elementary	11,219	140,152	191	134,659	16,903
Sooner-Rose Elementary	14,531	62,471	326	57,510	19,818
Stead Elementary	33,695	72,351	228	78,025	28,249
Tinker Elementary	7,043	68,595	186	67,740	8,084
Townsend Elementary	13,371	89,306	642	87,388	15,931
Traub Elementary	27,498	49,740	58	47,432	29,864
Westside	-	-	124	124	-
Parkview Elementary	28,123	122,063	237	123,309	27,114
Schwartz Elementary	31,769	50,352	71	53,608	28,584
Carl Albert Middle School	58,959	370,418	1,121	372,981	57,517
Del Crest Middle School	13,101	146,772	594	143,578	16,889
Jarman Middle School	33,485	202,235	6,499	209,503	32,716
Kerr Middle School	38,560	159,405	852	172,414	26,403
Monroney Middle School	56,209	245,687	1,085	232,204	70,777
Carl Albert Sr High	206,289	655,520	(9,350)	660,898	191,561
Del City Senior High	111,137	508,236	1,471	494,494	126,350
Midwest City Senior High	102,732	498,314	2,446	499,633	103,859
Special Services	1,460	-	-	-	1,460
Mid-Del Transportation	242	2,172	-	2,205	209
Child Nutrition/Mid-Del	2,447	317,795	280	317,263	3,259
Unposted Receipts/Adjustments	1,577	-	(5,760)	-	(4,183)
Total Activities	\$ 1,196,080	\$ 5,086,096	\$ 11,512	\$ 5,061,084	\$ 1,232,604

MIDWEST CITY-DEI CITY SCHOOL DISTRICT NO. 1-52
 SCHEDULE OF FEDERAL AWARDS EXPENDED
 FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA #	Grantor's Number	Balance July 1, 2012	Receipts	Expenditures	Balance June 30, 2013
<u>U.S. Department of Education</u>						
Direct Programs:						
<u>2012-2013 Programs</u>						
Title VIII, Impact Aid Operations	84.041	S041520134091	\$ 723,253	\$ 867,289	\$ 50,661	\$ 1,539,860
PELL	84.063	P063P124664	(77)	120,455	120,455	(77)
Title VII, Indian Education	84.060A	S060A121129	-	291,523	291,523	-
Sub-Total			\$ 723,176	\$ 1,279,267	\$ 462,660	\$ 1,539,763
<u>Passed-Through State Department of Education</u>						
<u>2012-2013 Programs</u>						
* Title I, Basic	84.010	N/A	-	\$ 2,861,731	\$ 2,861,731	-
* Federal Academic Achievement	84.010	N/A	6,109	-	6,040	69
* Title I Part A Neglected	84.010	N/A	-	67,038	67,038	-
* IDEA-B Flow Through	84.027	N/A	-	3,010,389	3,010,389	-
Title II, Part A Training & Recruiting Fund	84.967	N/A	-	846,040	846,040	-
21st Century Community	94.287	N/A	-	177,020	177,020	-
Title III-Immigrant Education	84.365	N/A	-	1,947	1,947	-
Title III-English Lang Acq	84.366	N/A	-	26,750	26,750	-
Title X - Homeless	84.196	N/A	-	147,199	147,199	-
* Preschool	84.173	N/A	-	61,939	61,939	-
* ARRA REACH	84.140	S410A100037777-10A	-	133,852	133,852	-
Sub-Total			\$ 6,109	\$ 7,133,906	\$ 7,139,945	\$ 69
<u>Passed- Through State Department of Career & Technology:</u>						
<u>2012-2013 Programs</u>						
Carl Perkins	84.048	N/A	-	\$ 226,176	\$ 226,176	-
Sub-Total			-	\$ 226,176	\$ 226,176	-
<u>Passed- Through State Department of Rehabilitation Services:</u>						
<u>2012-2013 Programs</u>						
Rehabilitation Services	84.126	N/A	-	\$ 26,637	\$ 26,637	-
Sub- Total			-	\$ 26,637	\$ 26,637	-

(continued)

The accompanying notes are an integral part of this schedule

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
 SCHEDULE OF FEDERAL AWARDS EXPENDED
 FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA #	Grantor's Number	Balance July 1, 2012	Receipts	Expenditures	Balance June 30, 2013
U.S. Department of Agriculture						
Passed-Through State Department of Education:						
Child Nutrition Cluster:						
Non-Cash Assistance (Commodities):						
National School Lunch Program	10.555	N/A	\$ -	\$ 351,353	\$ 351,353	\$ -
Non-Cash Assistance Sub-Total			\$ -	\$ 351,353	\$ 351,353	\$ -
Cash Assistance:						
School Breakfast Program	10.553	N/A	\$ -	\$ 1,192,716	\$ 1,192,716	\$ -
National School Lunch Program	10.555	N/A	\$ -	\$ 3,341,838	\$ 3,341,838	\$ -
Summer Food Service Program for Children	10.559	N/A	\$ 85,291	\$ 29,585	\$ 46,275	\$ 68,601
Fruits & Vegetables	10.562	N/A	\$ (1,033)	\$ 88,375	\$ 88,001	\$ (660)
Cash Assistance Sub-Total			\$ 84,258	\$ 4,652,514	\$ 4,668,831	\$ 67,941
Sub-Total for Child Nutrition Cluster			\$ 84,258	\$ 5,003,867	\$ 5,020,183	\$ 67,941
U.S. Department of Health and Human Services						
Passed-Through Oklahoma State Dept of Career Technology						
TANF	93.558	N/A	\$ -	\$ 263,668	\$ 263,668	\$ -
Sub-Total			\$ -	\$ 263,668	\$ 263,668	\$ -
U.S. Department of Defense						
Direct						
Patriots K12Biz	93.778	HE1254110011	\$ (65,064)	\$ 207,881	\$ 142,817	\$ -
* STEM	12.556	HE12541210041	\$ -	\$ 112,659	\$ 112,659	\$ -
Sub-Total			\$ (65,064)	\$ 320,540	\$ 255,476	\$ -
Other Federal Assistance						
2012-2013 Programs						
Johnson O'Malley	15.130	N/A	\$ 15,868	\$ 14,563	\$ 21,477	\$ 8,774
Sub-Total			\$ 15,868	\$ 14,563	\$ 21,477	\$ 8,774
TOTAL FEDERAL ASSISTANCE			\$ 764,147	\$ 14,268,642	\$ 13,416,222	\$ 1,616,567

* 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, 2013

1. For all federal programs, the District uses the fund types as described as the Notes to the Financial Statements. General, Building, Child Nutrition, and Coop fund, are generally used to account for resources restricted, or designated for specific purposes by a grantor. The District transacts PELL grant revenues and expenditures through the Activity 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, and Coop Funds, which are Governmental Fund types except the PELL Grant funds which are transacted through the Activity Fund which is a Fiduciary Fund. With Governmental Funds types, 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. Fiduciary Funds are used to account for assets the District holds on behalf of other as their agent and do not involve measurement of results of operation.

The modified accrual basis of accounting is used for the Governmental Fund types. 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.

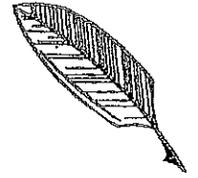
3. Positive amounts listed in the either "Balance at July 1, 2012" or "Balance at June 30, 2013" column represent funds received by the school and not yet expended or coded to the program.
4. The District received donated foods through the Federal Food Distribution Program (10.550). At June 30, 2013, the school maintained an immaterial amount of food commodities inventory. The commodities received and used of \$351,353 have been recognized as revenue and expenditures in the school's financial Statements.
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" \$	14,965,600
Less: Federal funds not considered federal financial assistance:	
ROTC	(185,739)
Tinker Skills	(628,657)
Accrual adjustments	(3,017)
Plus: Federal funds Transacted as Agency Funds	
Student Financial Aid	120,455
Reconciled Total	\$ 14,268,642

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



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. I-52
Oklahoma County, Oklahoma

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Midwest City-Del School District No. I-52, Oklahoma County, Oklahoma (District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued my report thereon dated January 7, 2014.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

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

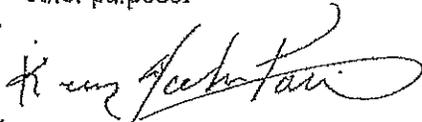
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of 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*.

Purpose of this Report

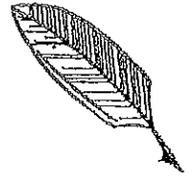
This report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Kerry John Fatten, C.P.A.
Broken Arrow, OK
January 7, 2014

KERRY JOHN PATTEN, C.P.A.

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Broken Arrow, OK 74012
Phone Number (918) 250-8838
FAX Number (918) 250-9853



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

I have audited the compliance of Midwest City-Del City School District No. I-52, Oklahoma County, Oklahoma (District's) compliance 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 the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the District's major federal programs based on my audit of the types of compliance requirements referred to above. 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 program occurred. An audit includes examining on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as I consider necessary in the circumstances.

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

Opinion on Each Major Federal Program

In my opinion, Midwest City-Del City School District, No. I-52, Oklahoma County, Oklahoma, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Midwest City-Del City School District No. I-52, Oklahoma County, Oklahoma (District), is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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 material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

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


Kerry John Patten, C.P.A.
Broken Arrow, OK
January 7, 2014

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

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 I Cluster (84.010); ARRA REACH (84.140); and STEM (12.556)
8. A threshold for distinguishing Types A and B programs was \$388,011.
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.

WIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
OKLAHOMA COUNTY, OKLAHOMA
SUMMARY OF PRIOR AUDIT FINDINGS
FOR YEAR ENDED JUNE 30, 2013

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, 2013

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 2011-12 audit report which required resolution during the year ended June 30, 2013.

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. 1-52
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
FOR YEAR ENDED JUNE 30, 2013

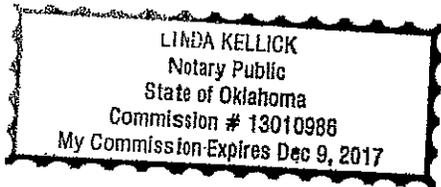
State of Oklahoma)
County of Tulsa)

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 2012-13.

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

BY

Kerry John Patten
AUTHORIZED AGENT



Subscribed and sworn to before me on this

7 day of January, 2014

Linda Kellick

NOTARY PUBLIC

My commission expires on:

Dec day of 9, 2017