

ANNUAL FINANCIAL REPORT
MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2011

Board of Education

President	Tim Blanton
Vice-President	Jimmie Nolan
Clerk	Kevin Walker
Member	LeRoy Porter
Member	Melissa Elzo

Superintendent of Schools

Dr. Pam Twidwell

School District Treasurer

Dr. Pam Deering

Assistant Superintendent of Fiscal Services

Dr. Pam Deering

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2011**

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MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
 OKLAHOMA COUNTY, OKLAHOMA
 SCHOOL DISTRICT OFFICIALS
 JUNE 30, 2011

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Midwest City-Del City School District I-52, Oklahoma County, Oklahoma, as of and for the year ended June 30, 2011, which collectively comprise the school's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the school's management. Our responsibility is to express opinions on these financial statements based on our audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.


In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Midwest City-Del City School District I-52, Oklahoma County, Oklahoma, as of June 30, 2011, and the respective changes in financial position, thereof and where applicable, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated January 4, 2012, on my consideration of the Midwest City-Del City School District internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

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

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Midwest City-Del City School District's financial statements as a whole. The accompanying other supporting information, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The other supporting information and the schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.


Kerry John Patten, C.P.A.
January 4, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

MIDWEST CITY – DEL CITY INDEPENDENT SCHOOL DISTRICT NO. 52
 Management's Discussion and Analysis (unaudited)
 June 30, 2011

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, 2011. Please read it in conjunction with the District's financial statements, which immediately follow this section.

VIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

MIDWEST CITY – DEL CITY INDEPENDENT SCHOOL DISTRICT NO. 52
 Management's Discussion and Analysis (unaudited)
 June 30, 2011

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	2010	2011
Current and Other Assets	\$62.5	\$72.4
Capital assets	159.1	155.8
Total assets	\$221.5	\$228.2
Long-term debt outstanding	\$39.0	\$39.5
Other liabilities	14.2	13.5
Total liabilities	\$53.2	\$53.0
Net assets:		
Invested in capital assets, net of debt	\$122.2	\$118.6
Restricted	33.9	40.3
Unrestricted	12.2	16.3
Total net assets	\$168.3	\$175.2

MIDWEST CITY – DEL CITY INDEPENDENT SCHOOL DISTRICT NO. 52
 Management's Discussion and Analysis (unaudited)
 June 30, 2011

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

	2010	2011	Difference
Revenues			
Program revenues			
Charges for services	\$2.4	\$2.2	(\$.2)
Federal and State grants	22.3	24.4	2.1
Other	.0	.0	.0
General revenues			
Property taxes	32.6	34.0	1.4
Other taxes	11.9	13.2	1.3
Federal entitlement	.0	.0	.0
State entitlement	46.1	46.1	.0
Other general revenues	4.4	4.4	.0
Total revenues	\$119.7	\$124.3	\$4.6
Expenses			
Program expenses			
Instruction	\$64.7	\$62.0	\$(2.7)
Support services	40.3	39.4	(.9)
Non-instruction	5.7	5.9	.2
Interest on long-term debt	1.3	1.8	.5
Depreciation-unallocated	7.3	6.6	(.7)
Capital Outlay	.9	1.8	.9
Other Outlays/uses	1.8	.9	(.9)
Workers Compensation Insurance	.3	.5	.2
Total expenses	\$122.3	\$118.9	\$(3.4)
Increase in Revenues over Expenses	(2.6)	5.4	8.0
Ending Net Assets	\$168.3	\$175.3	\$7.0

Changes in net assets.

The Ending Net Assets increased by \$7.0 million over the prior fiscal year. Federal revenues increased slightly as claims for reimbursement were filed to meet revised timelines. State revenues remained stagnant. Expenditures decreased in most areas largely due to hiring freezes and reduced spending. Workers Compensation reflects a small increase over the prior year due to claims and settlement of claims. Total expenses decreased by \$3.4 million over FY10.

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 \$58.8 million, compared to \$47.0 million in FY10.

General Fund Budgetary Highlights

The General Fund budget in FY11 decreased by \$8.8 Million to maintain an adequate fund balance. The General Fund balance for FY11 increased from 4.23% or \$3,792,939 in FY10 to 6.98% or \$6,198,065. This fund balance increase was due primarily to the reduction of expenditures.

MIDWEST CITY – DEL CITY INDEPENDENT SCHOOL DISTRICT NO. 52
Management's Discussion and Analysis (unaudited)
June 30, 2011

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2011, the District had expended \$5.5 million in a broad range of capital assets, including new classroom additions and renovations, roof repairs and building renovations, computer and media equipment, secondary 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 April of 2009, patrons of our district overwhelmingly passed a \$23.82 million bond issue that allowed spending for capital projects, principally in the areas of site renovations and improvements, including new classroom renovations/additions, paving, etc. Also, planned was the purchase of nursing equipment, student computer labs, replacing laptop computers and printers for high school and elementary school teachers, Voice Over Internet Protocol (VOIP) telephony and equipment, instructional and media materials and equipment, textbooks, childhood playground equipment, science lab equipment, high school math, social studies, and technology equipment, including a new district financial accounting system, wireless access, music equipment, furniture and uniforms. The district received the first series of these monies in October 2009. The second installment of \$9.74 million was received in March of 2011.

Long-term Debt

At year-end the District had \$39.4 million in total long-term debt outstanding. This is a decrease from last year's amount of \$39.9 million. (More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements.)

- The District continued to pay down its debt, retiring \$9.35 million of outstanding bonds.
- \$9.74million in new debt was issued during the year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 62,637,739
Property tax receivable	1,612,477
Due from other governments	7,643,360
Miscellaneous receivables	7,919
Inventories	556,068
Capital assets	
Land	16,229,533
Construction in Progress	8,173,767
Other capital assets, net of accumulated depreciation	<u>131,426,174</u>
 Total Assets	 \$ <u>228,287,037</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 607,941
Wages payable	11,725,012
Liabilities for Incurred Claims	448,870
Accrued Interest	767,125
Long-term liabilities	
Due within one year	9,770,000
Due in more than one year	<u>29,680,711</u>
 Total Liabilities	 \$ <u>52,999,659</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, net of related debt	\$ 118,599,474
Reserved for:	
Debt service	10,806,034
Child Nutrition	1,503,750
Capital projects	14,529,499
Buildings	13,559,296
Workers Compensation	(49,385)
Unrestricted	<u>16,338,710</u>
 Total Net Assets	 \$ <u><u>175,287,378</u></u>

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
STATEMENT OF ACTIVITIES
JUNE 30, 2011

	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants & Contributions	Governmental Activities
Governmental Activities				
Instruction	\$ (62,011,956)	\$ 41,410	\$ 15,875,495	\$ (46,095,051)
Support services	(39,284,750)	-	3,688,501	(35,596,249)
Non-Instruction services	(5,909,011)	1,672,964	4,663,699	427,652
Interest on long-term debt	(1,584,664)	-	-	(1,584,664)
Capital outlay	(1,781,134)	-	67,762	(1,713,372)
Other outlays	(713,806)	54,422	-	(659,384)
Other uses	(282,119)	-	75,797	(206,322)
Depreciation - unallocated	(6,594,693)	-	-	(6,594,693)
Business - type activities				
Workers' compensation insurance	(804,816)	428,208	-	(376,608)
Total School District	\$ (118,966,949)	\$ 2,197,004	\$ 24,371,254	\$ (92,398,691)

General revenues

Taxes:

Property taxes, levied for general purposes	\$ 20,053,156
Property taxes, levied for building purposes	2,448,944
Property taxes, levied for debt service	11,520,435
General Taxes	13,178,202
State aid - not reserved to specific purposes:	46,097,281
Other	4,181,577
Interest earnings	242,316
Total general revenues	97,721,911
Changes in net assets	5,323,220

Gain on fixed asset disposal 1,642,080

Net assets - beginning 168,322,078

Net assets - ending \$ 175,287,378

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
STATEMENT OF NET ASSETS - PROPRIETARY FUND
JUNE 30, 2011

	Internal Service Fund - Workers' <u>Compensation</u>
ASSETS	
Cash	\$ <u>399,485</u>
Total assets	\$ <u>399,485</u>
LIABILITIES	
Liability for incurred claims	\$ <u>448,870</u>
Total liabilities	\$ <u>448,870</u>
NET ASSETS	
Unrestricted	\$ <u><u>(49,385)</u></u>

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2011

		Internal Service Fund-Workers' Compensation
Operating Revenues		
Charges to other funds	\$	-
Other		12,378
Total operating revenues	\$	12,378
Operating Expenses		
Instruction	\$	-
Support services		-
Other uses of funds		804,816
Total operating expenses	\$	804,816
Operating expenses over revenues	\$	(792,438)
Non-operating Revenue		
Interest income	\$	830
Other financing sources		415,000
Total non-operating Revenue	\$	415,830
Change in net assets	\$	(376,608)
Beginning net assets	\$	327,223
Ending net assets	\$	(49,385)

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, 2011**

		<u>Internal Service Fund-Workers' Compensation</u>
Cash flows from operating activities		
Received from assessments made to other funds	\$	415,000
Miscellaneous		12,378
Payments for workers' compensation claims		<u>(525,831)</u>
Net cash provided by operating activities	\$	<u>(98,453)</u>
Cash flows from investing activities		
Interest on investments	\$	<u>830</u>
Net cash provided by investing activities	\$	<u>830</u>
Net increase in cash	\$	(97,623)
Cash and cash equivalents at beginning of year	\$	<u>497,108</u>
Cash and cash equivalents at end of year	\$	<u><u>399,485</u></u>

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

FINANCIAL FUND STATEMENTS

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
BALANCE SHEET
GOVERNMENTAL FUND TYPES
JUNE 30, 2011

	General Fund	Debt Service Fund	Building Fund	Tech Center Building Fund	Bond Fund 32	Other Governmental Funds	Total Governmental Funds
ASSETS							
Pooled Cash and Investments	\$ 18,514,072	\$ 10,525,605	\$ 9,643,541	\$ 3,719,072	\$ 12,123,942	\$ 7,712,022	\$ 62,238,254
Property Taxes Receivable, Net	873,025	614,864	124,588	-	-	-	1,612,477
Due from Other Governments	6,753,557	-	-	196,796	-	693,007	7,643,360
Due from Fiduciary Fund	-	-	-	-	-	7,919	7,919
Inventories-Supplies, Materials	411,899	-	58,083	-	-	86,086	556,068
Total assets	\$ 26,552,553	\$ 11,140,469	\$ 9,826,212	\$ 3,915,868	\$ 12,123,942	\$ 8,499,034	\$ 72,058,078
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 304,687	\$ -	\$ 20,066	\$ 97,758	\$ -	\$ 185,430	\$ 607,941
Accrued Wages	10,922,376	-	-	-	-	802,636	11,725,012
Deferred revenue	455,368	334,435	64,960	-	-	-	854,763
Total Liabilities	\$ 11,682,431	\$ 334,435	\$ 85,026	\$ 97,758	\$ -	\$ 988,066	\$ 13,187,716
Fund balances:							
Nonspendable Fund Balances:							
<i>Inventories</i>	\$ 411,899	\$ -	\$ 58,083	\$ -	\$ -	\$ 86,086	\$ 556,068
Restricted Fund Balances:							
<i>School Construction</i>	-	-	-	-	12,123,942	2,405,557	14,529,499
<i>Retirement of Long-Term Debt</i>	-	10,806,034	-	-	-	-	10,806,034
<i>Other Restrictions of Fund Balance</i>	-	-	9,683,103	3,818,110	-	1,531,640	15,032,853
Committed Fund Balances:							
Encumbrances	1,393,631	-	-	-	-	293,672	1,687,303
Minimum Fund Balance Requirement	5,461,663	-	-	-	-	-	5,461,663
Assigned Fund Balances:							
<i>Other Assigned Fund Balance</i>	-	-	-	-	-	661,293	661,293
Unassigned	7,602,929	-	-	-	-	2,532,720	10,135,649
Total Fund Balances	\$ 14,870,122	\$ 10,806,034	\$ 9,741,186	\$ 3,818,110	\$ 12,123,942	\$ 7,510,968	\$ 58,870,362
Total Liabilities and Fund Balances	\$ 26,552,553	\$ 11,140,469	\$ 9,826,212	\$ 3,915,868	\$ 12,123,942	\$ 8,499,034	

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 \$210,852,831, and the accumulated depreciation is \$55,023,357.

155,829,474

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.

854,763

An internal service fund is used by the District to charge the costs of workers' compensation insurance to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.

(49,385)

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	\$ 37,230,000
Compensated Absences	2,220,711
Accrued Interest	767,125

(40,217,836)

Total Net Assets - Governmental Activities

\$ 175,287,378

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General	Debt Service	Buidling	Tech Ctr Bldg.	Bond 32	Other Governmental Funds	Total Other Governmental Funds
Revenues							
Property Tax	\$ 16,712,126	\$ 11,186,000	\$ 2,383,984	\$ -	\$ -	\$ -	\$ 30,282,110
Interest	168,235	-	-	-	-	35,998	204,233
County	3,645,277	-	-	-	-	-	3,645,277
State	55,717,445	47	10	-	-	2,213,234	57,930,736
Federal	15,591,618	-	827,767	-	-	6,449,495	22,868,880
Local	182,863	-	-	1,430,206	38,083	5,654,709	7,305,861
Other	670,139	11,202	42	-	-	95,662	777,045
Total Revenues	\$ 92,687,703	\$ 11,197,249	\$ 3,211,803	\$ 1,430,206	\$ 38,083	\$ 14,449,098	\$ 123,014,142
Expenditures							
Instruction	\$ 56,604,657	\$ -	\$ -	\$ 297,429	\$ 1,465,215	\$ 4,026,006	\$ 62,393,307
Support services	30,412,836	-	4,874,359	327,039	1,125,383	4,204,502	40,944,119
Non-instruction services	48,211	-	-	-	-	5,888,498	5,936,709
Capital outlays	7,140	-	41,502	67,713	2,618,247	518,977	3,253,579
Other outlays	360,928	-	-	-	-	309,569	670,497
Repayments	1,431	-	-	-	-	278,000	279,431
Interest Paid	-	1,845,304	-	-	-	-	1,845,304
Principal Retirement	-	9,356,522	-	-	-	-	9,356,522
Total expenditures	\$ 87,435,203	\$ 11,201,826	\$ 4,915,861	\$ 692,181	\$ 5,208,845	\$ 15,225,552	\$ 124,679,468
Excess (deficiency) of revenues over expenditures	\$ 5,252,500	\$ (4,577)	\$ (1,704,058)	\$ 738,025	\$ (5,170,762)	\$ (776,454)	\$ (1,665,326)
Other Financing Sources (Uses):							
Proceeds of bonds	\$ -	\$ -	\$ -	\$ -	\$ 9,740,000	\$ -	\$ 9,740,000
Sale of Real Property	-	-	3,819,000	-	-	-	3,819,000
Total other financing sources (uses)	\$ -	\$ -	\$ 3,819,000	\$ -	\$ 9,740,000	\$ -	\$ 13,559,000
Net change in fund balance	\$ 5,252,500	\$ (4,577)	\$ 2,114,942	\$ 738,025	\$ 4,569,238	\$ (776,454)	\$ 11,893,674
Beginning fund balance	9,617,622	10,810,611	7,626,244	3,080,085	7,554,704	8,287,422	46,976,688
Ending fund balances	\$ 14,870,122	\$ 10,806,034	\$ 9,741,186	\$ 3,818,110	\$ 12,123,942	\$ 7,510,968	\$ 58,870,362

The accompanying notes are an integral part of these 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, 2011**

Net change in fund balances - governmental funds \$ 11,893,674

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 assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays in the period.

Capital outlay expenditures	\$	5,554,530	
Depreciation expense		(6,594,693)	
Retirements and adjustments		(1,979,602)	(3,019,765)

In the statement of activities, only the gain in the sale of property is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net asset differs from the change in fund balance by the basis of the property sold. (2,176,920)

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. 854,763

Some of the capital assets acquired this year were financed with general obligation bonds. The amount financed by the bonds is reported in the governmental funds as a source of financing, but increases long-term liabilities in the statement of net assets and does not affect the Statement of Activities. (9,746,522)

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the the statement of activities. 9,356,522

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. (80,484)

An internal service fund is used by the District to charge the costs of workers compensation insurance to the individual funds. The change in net assets of the internal service fund is reported with governmental activities. (376,608)

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. 260,640

Change in net assets - statement of activities \$ 6,965,300

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

NOTES TO THE FINANCIAL STATEMENTS

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

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

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

B. Basis of Presentation

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues and are reported separately from Business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) tuition or fees paid by students or citizens of the District and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items, including state aid, that are not properly included among program revenues are reported as general revenues.

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

Fund Financial Statements

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

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.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Bond Fund – The District's Bond Fund is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

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

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

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

Workers' Compensation Insurance Fund

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

Fiduciary Funds

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

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

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Summary of Significant Accounting Policies (continued)

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.

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.

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

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, 2011, consist of the following:

General Fund

Maintenance	\$	58,083
Transportation		21,848
Warehouse		331,968

Building Fund

Maintenance	58,083
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Child Nutrition

Supplies	86,086
Total	\$ <u>556,068</u>

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

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

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

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

Fund Equity – Reserves represent those portions of fund equity not 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 not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

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

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

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Summary of Significant Accounting Policies (continued)

forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

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

2. Use of Estimates

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

3. Deposit Categories of Credit Risk

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

1. Direct obligations of the United States Government to the payment of which the full faith and credit of the government is pledged.
2. Obligations to the payment of which the full faith and credit of the state is pledged.
3. Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies.
4. Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation.
5. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 of this section including obligations of the United States, its agencies and instrumentalities, and where collateral has been deposited with a trustee 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. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

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, 2011, 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, 2011, for the individual Governmental funds in the aggregate are as follows:

	<u>General</u>	<u>Building</u>	<u>Debt Service</u>	<u>Co-op</u>	<u>Child Nutrition</u>	<u>Tech Center Building</u>
Receivables						
Ad valorem taxes	\$ 873,025	\$ 124,588	\$ 614,864	\$ -	\$ -	\$ -
Federal grants	5,139,012	-	-	263,233	33,195	-
Local & Intermediate	260,619	-	-	390,819	-	196,796
State dedicated revenue	<u>1,353,926</u>	<u>-</u>	<u>-</u>	<u>5,760</u>	<u>-</u>	<u>-</u>
Gross Receivables	7,626,582	124,588	614,864	659,812	33,195	196,796
Less allowance for uncollectibles	<u>455,368</u>	<u>64,960</u>	<u>334,435</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 7,171,196</u>	<u>\$ 59,628</u>	<u>\$ 280,429</u>	<u>\$ 659,812</u>	<u>\$ 33,195</u>	<u>\$ 196,796</u>

5. Capital Assets

A summary of changes in general fixed assets for the year ended June 30, 2011, follows:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 16,229,533	\$ -	\$ -	\$ -	\$ 16,229,533
Construction in Progress	<u>5,533,205</u>	<u>4,178,630</u>	<u>(1,538,068)</u>	<u>-</u>	<u>8,173,767</u>
Total Capital assets, not being depreciated:	\$ 21,762,738	\$ 4,178,630	\$ (1,538,068)	\$ -	\$ 24,403,300
Capital assets being depreciated:					
Buildings & Renovations	174,992,746	-	1,538,068	10,527,864	166,002,949
Furniture & Accessories	453,892	-	-	62,531	391,361
Equipment & Appliances	7,593,145	294,000	-	153,617	7,733,528
Computer Software/Hardware	4,928,774	845,294	-	54,926	5,719,142
Vehicles/Buses	<u>6,380,192</u>	<u>236,607</u>	<u>-</u>	<u>14,248</u>	<u>6,602,551</u>
Total capital assets being depreciated:	<u>194,348,749</u>	<u>1,375,900</u>	<u>1,538,068</u>	<u>10,813,185</u>	<u>186,449,531</u>
Less accumulated depreciation:	<u>57,064,929</u>	<u>6,594,694</u>	<u>-</u>	<u>8,636,265</u>	<u>55,023,357</u>
Total capital assets being depreciated, Net of Accumulated Depreciation	<u>137,283,820</u>	<u>(5,218,794)</u>	<u>1,538,068</u>	<u>2,176,920</u>	<u>131,426,174</u>
Total-All Capital Assets-Net Governmental Activities	<u>\$ 159,046,558</u>	<u>\$ 1,040,164</u>	<u>\$ -</u>	<u>\$ 2,176,920</u>	<u>\$ 155,829,474</u>

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

6. General Long-Term Debt

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

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

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Bonds Payable	\$ 36,840,000	9,740,000	9,350,000	\$ 37,230,000
Judgments Payable	-	6,522	6,522	-
Compensated Absences	2,140,227	80,484	-	2,220,711
Total	\$ 38,980,227	9,827,006	9,356,522	\$ 39,450,711

A brief description of the outstanding general obligation bond issues at June 30, 2011, is set forth below:

	<u>Amount Outstanding</u>
School District No. I-52 Building Bonds, Series 2008 original issue \$11,140,000, interest rate of 3.5% to 4.00%, first installment of \$2,785,000 due July 1, 2010, and annual installments of \$2,785,000 due thereafter, final payment of \$2,785,000 due July 1, 2013.	\$ 8,355,000
School District No. I-52 Building Bonds, Series 2009, original issue \$14,080,000 interest rate of 2.35 to 2.8%, first installment of \$3,520,000 due October 1, 2011, and annual installments of \$3,520,000 due thereafter, final payment of \$3,520,000 due July 2014.	14,080,000
School District No. I-52 Building Bonds, Series 2011, original issue \$9,740,000, interest rate of 1.35% to 2.15%, due in annual installments of \$2,435,000, with the first payment due March 1, 2013, final payment of \$2,435,000 due March 1, 2016.	9,740,000
School District No. I-52 Combined Purpose Bonds, Series 2006, original issue \$6,330,000, interest rate of 3.7%, due in annual installments of \$1,580,000 on August 1, 2008, final payment of \$1,590,000 due August 1, 2011.	1,590,000
School District No. I-52 Combined Purpose Bonds, Series 2007, original issue \$1,125,000, interest rate of 3.7% due in annual installments of \$280,000 starting February 1, 2009, final payment of \$285,000 due February 1, 2012.	285,000.00
School District No. I-52 Building Bonds, Series 2007, original issue \$6,360,000, interest rate of 3.75% to 5/1%, with the first installment of \$1,590,000.00 due July 1, 2009, and final payment of \$1,590,000.00 due July 1, 2012.	3,180,000
Total Bonds Outstanding	\$ 37,230,000

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

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
2012	\$ 9,770,000	\$ 878,323	\$ 10,648,323
2013	10,330,000	582,468	10,912,468
2014	8,740,000	304,948	9,044,948
2015	5,955,000	111,638	6,066,638
2016	2,435,000	48,700	2,483,700
Total	\$ 37,230,000	\$ 1,926,077	\$ 39,156,077

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, 2011, totaled \$2,220,711 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	\$ 1,955,935
Co-op	247,987
Child Nutrition	<u>16,789</u>
Total	<u>\$ 2,220,711</u>

7. Operating Leases

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

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

8. Employee Retirement System

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System. The System, which is a cost-sharing multiple-employer public employee retirement system, which is a defined benefit pension plan covering all employees of the public school 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, 2011**

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, 2011, is as follows:

		<u>Dollars in Millions</u>
Actuarial Accrued Liability	\$	17,561.
Actuarial Value of Assets		9,961.
Unfunded Actuarial Accrued Liability	\$	7,600.

Funding Policy

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

Annual Pension Cost

The District's contribution to the System for the year ending June 30, 2011, was \$4,639,178. The District's total payroll for fiscal year 2010-11 amounted to \$72,430,898.

9. Contingencies

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

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the District believes the resolution of these matters will not have a material adverse effect on the financial condition of the District. Also, in the event of any unfavorable outcomes, the District and its legal counsel believe that adequate insurance coverage exists and that there will be no adverse economic impact on the financial condition of the District.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

10. Sanctioned Organizations

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

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

11. Self Insurance

The District administers a self-insurance workers' compensation fund for District employees. This program is administered by an independent third party and covers workers' compensation expenses for employees. In order to mitigate the risk associated with this program, the District has purchased individual "stop loss" insurance of \$1,000,000. The District makes payments to the Internal Service Fund based on estimates of the amounts needed to pay prior and current year claims. As of the end of the fiscal year, it was determined that the loss reserve was \$448,870. Changes in the reserve amount during fiscal year 2011 were as follows:

	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
2010-2011	\$ 170,109	\$ 750,950	\$ 472,189	\$ 448,870

There have been no significant reductions in insurance coverage during the fiscal year 2011.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

12. Surety Bonds

The District has a Public School System Faithful Performance Blanket Named Position Bond with First Point Insurance Agency. The bond number is 3929702, it covers all the necessary employees for the penal sum of \$450,000, and it is for the term of July 1, 2010, to July 1, 2011.

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, 2011, 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 \$336,331. 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 2010-11 financial statements.

15. Subsequent Event

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 2010-11. The \$3,819,000. proceeds of the sales were deposited into the District's Building Fund and represents a portion of the Building Fund balance at June 30, 2011.

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

REQUIRED SUPPLEMENTARY INFORMATION

MID-DEL SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Local	\$ 16,358,095	\$ 16,238,910	\$ 16,870,599	\$ 631,689
Intermediate sources	3,338,000	3,324,355	3,504,800	180,445
State sources	53,223,929	54,343,995	55,195,922	851,927
Federal sources	15,291,676	14,050,581	13,216,704	(833,877)
Total revenues	\$ 88,211,700	\$ 87,957,841	\$ 88,788,025	\$ 830,184
Expenditures:				
Instructional	\$ 60,454,278	\$ 60,454,278	\$ 56,453,340	\$ 4,000,938
Support services:				
Students	8,068,845	8,068,845	8,117,504	(48,659)
Staff	4,697,061	4,697,061	4,505,766	191,295
General administration	1,614,803	1,614,803	1,692,304	(77,501)
School administration	7,511,787	7,511,787	7,028,169	483,618
Business	1,764,376	1,764,376	2,334,657	(570,281)
Plant operations	4,448,270	4,448,270	4,704,638	(256,368)
Transportation	2,116,488	2,116,488	2,091,424	25,064
Child nutrition	14,744	14,744	2,211	12,533
Noninstructional	40,665	40,665	46,000	(5,335)
Capital outlay	-	-	8,600	(8,600)
Fund transfer/reimbursement	12,500	12,500	660,000	(647,500)
Indirect cost	256,000	256,000	-	256,000
Private non-profit schools	25,000	25,000	44,772	(19,772)
Correcting entry	2,894	2,894	5,429	(2,535)
Restricted funds	-	-	80	(80)
Other refunds	-	-	6,351	(6,351)
Total expenditures	\$ 91,027,711	\$ 91,027,711	\$ 87,701,245	\$ 3,326,466
Excess of revenues over (under) expenditures	\$ (2,816,011)	\$ (3,069,870)	\$ 1,086,780	\$ (4,156,650)
Other financing sources (uses) :				
Non-revenue sources	\$ 2,252,100	\$ 2,607,946	\$ 1,318,346	\$ 1,289,600
Excess of revenues and other sources of funds over (under) expenditures	\$ (563,911)	\$ (461,924)	\$ 2,405,126	\$ (2,867,050)
Fund balance, beginning of year	\$ 3,272,313	\$ 3,792,939	\$ 3,792,939	\$ -
Fund balance, end of year	\$ 2,708,402	\$ 3,331,015	\$ 6,198,065	\$ (2,867,050)
Adjustments to conform with GAAP				
Receivables at year end			7,626,582	
Accounts payable at year end			(760,055)	
Encumbrances at year end			1,393,631	
Inventory at year end			411,899	
Fund balance, end of year (GAAP basis)			\$ 14,870,122	

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

MID-DEL SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Local	\$ 3,312,549	\$ 3,250,085	\$ 2,353,635	\$ (896,450)
Intermediate sources	-	-	-	-
State sources	-	8	10	2
Federal sources	-	-	827,768	827,768
	\$ 3,312,549	\$ 3,250,093	\$ 3,181,412	\$ (68,681)
Total revenues				
Expenditures:				
Instructional	\$ -	\$ -	\$ -	-
Support services:				
Students	-	-	-	-
Staff	-	-	-	-
General administration	3,837	3,837	-	3,837
School administration	-	-	-	-
Business	15,509	15,509	750	14,759
Plant operations	5,943,296	5,943,296	5,570,032	373,264
Capital outlay	37,358	37,358	41,503	(4,145)
Other outlays	-	-	-	-
Other Uses	-	-	-	-
	\$ 6,000,000	\$ 6,000,000	\$ 5,612,285	\$ 387,715
Total expenditures				
Excess of revenues over (under) expenditures	\$ (2,687,451)	\$ (2,749,907)	\$ (2,430,873)	\$ 319,034
Other financing sources (uses) :				
Non-revenue sources	\$ 100,000	\$ 147,075	\$ 147,116	\$ 41
Sale of property	-	-	3,819,000	3,819,000
	-	-	3,819,000	3,819,000
Excess of revenues and other sources of funds over (under) expenditures	\$ (2,587,451)	\$ (2,602,832)	\$ 1,535,243	\$ 4,138,075
Fund balance, beginning of year	\$ 6,741,879	\$ 7,359,005	\$ 7,359,005	\$ -
Fund balance, end of year	\$ 4,154,428	\$ 4,756,173	\$ 8,894,248	\$ 4,138,075
Adjustments to conform with GAAP				
Receivables at year end			124,588	
Accounts payable at year end			(85,026)	
Inventories at year end			58,083	
Encumbrances at year end			749,293	
Fund balance, end of year (GAAP basis)			\$ 9,741,186	

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

MID-DEL SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
CO-OP FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance Favorable (Unfavorable)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Local	\$ 2,697,280	\$ 2,749,748	\$ 2,819,057	\$ 69,309
Intermediate sources	-	-	-	-
State sources	1,863,022	1,946,995	1,986,156	39,161
Federal sources	1,204,167	1,215,062	1,614,282	399,220
Total revenues	\$ 5,764,469	\$ 5,911,805	\$ 6,419,494	\$ 507,689
Expenditures:				
Instructional	\$ 3,781,423	\$ 3,745,437	\$ 1,190,857	\$ 2,554,580
Client based programs	363,565	426,193	2,705,037	(2,278,844)
Support services:				
Students	708,356	676,954	649,381	27,573
Staff	43,702	98,213	48,711	49,503
General administration	166,270	153,312	128,577	24,735
School administration	1,382,058	1,379,455	1,288,242	91,213
Business	303,700	335,438	282,938	52,500
Plant operations	214,236	212,190	150,921	61,269
Transportation	7,820	11,446	7,223	4,223
Noninstructional	-	1,881	-	1,881
Indirect cost	-	6,362	-	6,362
Correcting entry	-	-	(32,299)	32,299
Student aid	-	3,954	2,688	1,266
Other refunds	55,651	50,000	50,000	-
Total expenditures	\$ 7,026,781	\$ 7,100,834	\$ 6,472,276	\$ 628,558
Excess of revenues over (under) expenditures	\$ (1,262,312)	\$ (1,189,029)	\$ (52,781)	\$ 1,136,248
Other financing sources (uses) :				
Non-revenue sources	\$ 144,500	\$ 154,955	\$ 135,720	\$ (19,235)
Excess of revenues and other sources of funds over (under) expenditures	\$ (1,117,812)	\$ (1,034,074)	\$ 82,938	\$ 1,117,013
Fund balance, beginning of year	\$ 1,894,988	\$ 1,961,822	\$ 1,961,822	\$ -
Fund balance, end of year	\$ 777,176	\$ 927,748	\$ 2,044,760	\$ 1,117,013
Adjustments to conform with GAAP				
Receivables at year end			659,812	
Accounts payable at year end			(171,852)	
Encumbrances at year end			293,672	
Fund balance, end of year (GAAP basis)			\$ 2,826,392	

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

MID-DEL SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
CHILD NUTRITION FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance Favorable (Unfavorable)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Local	\$ 1,591,000	\$ 1,622,122	\$ 1,672,917	\$ 50,795
Intermediate sources	-	-	-	-
State sources	271,446	308,200	295,874	(12,326)
Federal sources	4,210,000	4,205,715	4,218,733	13,018
Total revenues	\$ 6,072,446	\$ 6,136,037	\$ 6,187,524	\$ 51,487
Expenditures:				
Instructional	\$ -	\$ -	\$ -	-
Support services:				
Child nutrition	5,816,268	5,916,424	5,602,163	314,261
Noninstructional	-	-	-	-
Fund transfer/reimbursements	348,506	340,000	339,180	820
Other refunds	25,740	55,000	55,000	-
Total expenditures	\$ 6,190,514	\$ 6,311,424	\$ 5,996,343	\$ 315,081
Excess of revenues over (under) expenditures	\$ (118,068)	\$ (175,387)	\$ 191,181	\$ 366,568
Other financing sources (uses) :				
Non-revenue sources	\$ 27,500	\$ 61,880	\$ 79,208	\$ 141,088
Excess of revenues and other sources of funds over (under) expenditures	\$ (90,568)	\$ (113,507)	\$ 270,389	\$ (383,896)
Fund balance, beginning of year	\$ 956,979	\$ 956,979	\$ 956,979	-
Fund balance, end of year	<u>\$ 866,411</u>	<u>\$ 843,472</u>	\$ 1,227,368	<u>\$ (383,896)</u>
Adjustments to conform with GAAP				
Accounts receivable at year end			33,195	
Accounts payable at year end			(13,038)	
Due from other funds			7,919	
Inventories at year end			86,086	
Encumbrances at year end			<u>162,220</u>	
Fund balance, end of year (GAAP basis)			<u>\$ 1,503,750</u>	

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

MID-DEL SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
INSURANCE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Local	\$ 388,478	\$ 388,478	\$ 388,478	\$ -
Intermediate sources	-	-	-	-
State sources	-	-	-	-
Federal sources	27,762	67,762	67,762	-
Total revenues	\$ 416,240	\$ 456,240	\$ 456,240	\$ -
Expenditures:				
Instructional	\$ 12,264	\$ 12,264	\$ 7,371	\$ 4,893
Support services:				
Students	3,500	3,500	3,399	(102)
Staff	-	-	-	-
General administration	-	-	-	-
Business	-	-	-	-
Plant operations	664,605	664,605	65,518	599,087
Transportation	-	-	-	-
Child nutrition	-	-	-	-
Noninstructional	-	-	-	-
Capital outlay	318,258	318,258	318,161	(97)
Other outlays	-	-	-	-
Restricted Funds	58,226	58,226	58,226	116,452
Total expenditures	\$ 1,056,852	\$ 1,056,853	\$ 452,675	\$ 720,233
Excess of revenues over (under) expenditures	\$ (640,612)	\$ (600,612)	\$ 3,565	\$ 720,233
Adjustments to prior year encumbrances	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Non-revenue sources	\$ 4,044	\$ 4,044	\$ 4,044	\$ -
Excess of revenues and other sources of funds over (under) expenditures	\$ (636,568)	\$ (596,568)	\$ 7,609	\$ 720,233
Fund balance, beginning of year	\$ 596,568	\$ 596,568	\$ 596,568	\$ -
Fund balance, end of year	\$ -	\$ -	\$ 604,177	\$ 720,233
Adjustments to conform with GAAP				
Accounts payable at year end			(27,096)	
Encumbrances at year end			57,656	
Fund balance, end of year (GAAP basis)			\$ 634,737	

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

MID-DEL SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
TECH CENTER BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues:				
Local	\$ 1,367,247	\$ 1,367,247	\$ 1,468,201	\$ 100,954
Intermediate sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	-	-
	\$ 1,367,247	\$ 1,367,247	\$ 1,468,201	\$ 100,954
Expenditures:				
Instructional	\$ 657,422	\$ 629,600	\$ 311,229	\$ (318,371)
Support services:				
Students	-	15,000	14,185	(815)
Staff	-	20,000	-	(20,000)
General administration	-	-	-	-
School administration	691	2,000	-	(2,000)
Business	77,774	33,500	-	(33,500)
Plant operations	442,813	499,900	337,181	(162,719)
Transportation	-	-	-	-
Noninstructional	-	-	-	-
Capital outlay	121,300	100,000	-	100,000
Other outlays	-	-	-	-
Other - contingency	-	-	-	-
	\$ 1,300,000	\$ 1,300,000	\$ 662,595	\$ 100,000
Excess of revenues over (under) expenditures	\$ 67,247	\$ 67,247	\$ 805,606	\$ 200,954
Other financing sources (uses) :				
Non-revenue sources	\$ 55,000	\$ 54,743	\$ 54,743	-
Excess of revenues and other sources of funds over (under) expenditures	\$ 122,247	\$ 121,990	\$ 860,349	\$ 200,954
Fund balance, beginning of year	\$ 2,759,213	\$ 2,779,828	\$ 2,779,828	-
Fund balance, end of year	\$ 2,881,460	\$ 2,901,818	\$ 3,640,177	\$ 200,954
Adjustments to conform with GAAP				
Receivables at year end			196,796	
Accounts payable at year end			(97,758)	
Encumbrances at year end			78,895	
Fund balance, end of year (GAAP basis)			\$ 3,818,110	

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

MID-DEL SCHOOL DISTRICT NO. I-52
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)
SINKING FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Local	\$ 10,853,323	\$ 10,789,093	\$ 11,043,868	\$ 254,775
Intermediate sources	-	-	-	-
State sources	-	-	47	47
Federal sources	-	-	-	-
	<u>\$ 10,853,323</u>	<u>\$ 10,789,093</u>	<u>\$ 11,043,915</u>	<u>\$ 254,822</u>
Expenditures:				
Instructional	\$ -	\$ -	\$ -	-
Support services:				
Students	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Business	-	-	-	-
Noninstructional	-	-	-	-
Capital outlay	-	-	-	-
Other outlays	-	-	-	-
Debt Service	11,210,304	11,210,304	11,201,826	(8,478)
Refunds/reimbursements	10,000	10,000	-	(10,000)
	<u>\$ 11,220,304</u>	<u>\$ 11,220,304</u>	<u>\$ 11,201,826</u>	<u>\$ (18,478)</u>
Excess of revenues over (under) expenditures	\$ (366,981)	\$ (431,211)	\$ (157,911)	\$ 236,344
Other sources of funds - premium on bonds sold	\$ -	\$ -	\$ 11,201	\$ 11,201
Excess of revenues and other sources of funds over (under) expenditures	\$ (366,981)	\$ (431,211)	\$ (146,710)	\$ 284,501
Fund balance, beginning of year	\$ 10,194,371	\$ 10,672,314	\$ 10,672,314	\$ -
Fund balance, end of year	<u>\$ 9,827,390</u>	<u>\$ 10,241,103</u>	<u>\$ 10,525,604</u>	<u>\$ 284,501</u>
Adjustments to conform with GAAP				
Receivables at year end			614,864	
Accounts payable at year end			(334,435)	
Fund balance, end of year (GAAP basis)			<u>\$ 10,806,033</u>	

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

MID-DEL SCHOOL DISTRICT NO. 1-52
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)**
MAPS FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Local	\$ -	\$ -	\$ 830,480	\$ 830,480
Intermediate sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	\$ -	\$ -	\$ 830,480	\$ 830,480
Expenditures:				
Instructional	\$ -	\$ -	\$ -	-
Support services:				
Students	-	-	-	-
Staff	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Business	-	-	-	-
Plant operations	-	-	483,894	(483,894)
Transportation	-	-	331,007	(331,007)
Noninstructional	-	-	-	-
Capital outlay	-	-	143,390	(143,390)
Other outlays	-	-	-	-
Other uses	-	-	-	-
Restricted Funds	-	-	114,774	(114,774)
Total expenditures	\$ -	\$ -	\$ 1,073,065	\$ (1,073,065)
Excess of revenues over (under) expenditures	\$ -	\$ -	\$ (242,585)	\$ (242,585)
Other financing sources (uses) :				
Non-revenue sources	\$ -	\$ -	\$ -	-
Excess of revenues and other sources of funds over (under) expenditures	\$ -	\$ -	\$ (242,585)	\$ (242,585)
Fund balance, beginning of year	\$ -	\$ -	\$ 356,561	\$ 356,561
Fund balance, end of year	\$ -	\$ -	\$ 113,976	\$ 113,976
Adjustments to conform with GAAP				
Receivables at year end			-	
Accounts payable at year end			-	
Encumbrances at year end			-	
Fund balance, end of year (GAAP basis)			\$ 113,976	

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

OTHER SUPPORTING INFORMATION

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2011

	<u>MAPS</u>	<u>Child Nutrition</u>	<u>Co-op Fund</u>	<u>Bond 31</u>	<u>Bond 38</u>	<u>Bond 39</u>	<u>Casualty/ Insurance</u>	<u>Total Governmental Funds</u>
ASSETS								
Pooled Cash	\$ 113,976	\$ 1,749,784	\$ 2,780,872	\$ 1,542,775	\$ 345,058	\$ 517,724	\$ 661,833	\$ 7,712,022
Due from Other Governments	-	33,195	659,812	-	-	-	-	693,007
Inventories - Supplies, materials	-	86,086	-	-	-	-	-	86,086
Due from Fiduciary Fund	-	7,919	-	-	-	-	-	7,919
Total assets	<u>\$ 113,976</u>	<u>\$ 1,876,984</u>	<u>\$ 3,440,684</u>	<u>\$ 1,542,775</u>	<u>\$ 345,058</u>	<u>\$ 517,724</u>	<u>\$ 661,833</u>	<u>\$ 8,499,034</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ -	\$ 13,038	\$ 171,852	\$ -	\$ -	\$ -	\$ 540	\$ 185,430
Accrued Wages	-	360,196	442,440	-	-	-	-	802,636
Total Liabilities	<u>\$ -</u>	<u>\$ 373,234</u>	<u>\$ 614,292</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 540</u>	<u>\$ 988,066</u>
Fund balances:								
Nonspendable Fund Balances:								
<i>Inventories</i>	\$ -	\$ 86,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,086
Restricted Fund Balances:								
<i>School Construction</i>	-	-	-	1,542,775	345,058	517,724	-	2,405,557
<i>Retirement of Long-Term Debt</i>	-	-	-	-	-	-	-	-
<i>Other Restrictions of Fund Balance</i>	113,976	1,417,664	-	-	-	-	-	1,531,640
Committed Fund Balances:								
<i>Encumbrances</i>	-	-	293,672	-	-	-	-	293,672
<i>Minimum Fund Balance Requirement</i>	-	-	-	-	-	-	-	-
Assigned Fund Balances:								
<i>Other Assigned Fund Balance</i>	-	-	-	-	-	-	661,293	661,293
Unassigned	<u>-</u>	<u>-</u>	<u>2,532,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,532,720</u>
Total Fund Balances	<u>\$ 113,976</u>	<u>\$ 1,503,750</u>	<u>\$ 2,826,392</u>	<u>\$ 1,542,775</u>	<u>\$ 345,058</u>	<u>\$ 517,724</u>	<u>\$ 661,293</u>	<u>\$ 7,510,968</u>
Total Liabilities and Fund Balances	<u>\$ 113,976</u>	<u>\$ 1,876,984</u>	<u>\$ 3,440,684</u>	<u>\$ 1,542,775</u>	<u>\$ 345,058</u>	<u>\$ 517,724</u>	<u>\$ 661,833</u>	<u>\$ 8,499,034</u>

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	MAPS	Child Nutrition	Co-op	Bond 31	Bond 38	Bond 39	Casualty/ Insurance	Total Other Governmental Funds
Revenues								
Interest	\$ 2,691	\$ 7,872	\$ 11,544	\$ 10,830	\$ 1,227	\$ 1,834	\$ -	\$ 35,998
State	-	295,875	1,917,359	-	-	-	-	2,213,234
Federal	-	4,663,699	1,718,034	-	-	-	67,762	6,449,495
Local	827,789	1,672,964	2,765,478	-	-	-	388,478	5,654,709
Other	-	45,396	50,266	-	-	-	-	95,662
Total Revenues	\$ 830,480	\$ 6,685,806	\$ 6,462,681	\$ 10,830	\$ 1,227	\$ 1,834	\$ 456,240	\$ 14,449,098
Expenditures								
Instruction	\$ -	\$ -	\$ 3,875,064	\$ 143,651	\$ -	\$ -	\$ 7,291	\$ 4,026,006
Support services	814,901	-	2,485,129	799,871	5,089	4,039	95,473	4,204,502
Non-instruction services	-	5,878,409	-	10,089	-	-	-	5,888,498
Capital outlays	143,390	-	-	114,462	-	-	261,125	518,977
Other outlays	-	339,180	(29,611)	-	-	-	-	309,569
Repayments	114,774	55,000	50,000	-	-	-	58,226	278,000
Total expenditures	\$ 1,073,065	\$ 6,272,589	\$ 6,380,582	\$ 1,068,073	\$ 5,089	\$ 4,039	\$ 422,115	\$ 15,225,552
Excess (deficiency) of revenues over expenditures	\$ (242,585)	\$ 413,217	\$ 82,099	\$ (1,057,243)	\$ (3,862)	\$ (2,205)	\$ 34,125	\$ (776,454)
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	\$ (242,585)	\$ 413,217	\$ 82,099	\$ (1,057,243)	\$ (3,862)	\$ (2,205)	\$ 34,125	\$ (776,454)
Beginning fund balance	356,561	1,090,533	2,744,293	2,600,018	348,920	519,929	627,168	8,287,422
Ending fund balances	\$ 113,976	\$ 1,503,750	\$ 2,826,392	\$ 1,542,775	\$ 345,058	\$ 517,724	\$ 661,293	\$ 7,510,968

The accompanying notes are an integral part of these financial statements

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY - FIDUCIARY FUNDS
JUNE 30, 2011

	Fiduciary Fund Types		
	Private Purpose Trust Fund	Agency Funds	
	Gifts Fund	Activity Fund	Total
ASSETS			
Cash	\$ 23,820	\$ 1,173,800	\$ 1,197,620
Receivables	-	-	-
Miscellaneous	-	-	-
Total assets	\$ 23,820	\$ 1,173,800	\$ 1,197,620
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ -	\$ 28,821	\$ 28,821
Due to other funds	-	7,919	7,919
Total liabilities	\$ -	\$ 36,740	\$ 36,740
Fund Equity:			
Fund balances	23,820	1,137,060	1,160,880
Total fund balances	\$ 23,820	\$ 1,137,060	\$ 1,160,880
Total liabilities and fund equity	\$ 23,820	\$ 1,173,800	\$ 1,197,620

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011**

	Fiduciary Fund Types		
	Private Purpose Trust Fund	Agency Funds	Total
	Gifts Fund	Activity Fund	
Additions			
Contributions	\$ -	\$ -	\$ -
Student organization fundraisers	-	2,938,615	2,938,615
Total additions	\$ -	\$ 2,938,615	\$ 2,938,615
Deductions			
Operating expenses	\$ -	\$ 2,849,624	\$ 2,849,624
Total deductions	\$ -	\$ 2,849,624	\$ 2,849,624
Change in net assets	\$ -	\$ 88,991	\$ 88,991
Net assets at beginning of year	\$ 23,820	\$ 1,048,069	\$ 1,071,889
Net assets at year end	\$ 23,820	\$ 1,137,060	\$ 1,160,880

MIDWEST CITY-DEL CITY DISTRICT NO. 52
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ACTIVITY FUND
 FOR THE YEAR ENDED JUNE 30, 2011

Activities	Balance July 1, 2010	Revenue	Adjustments	Disbursements	Balance June 30, 2011
Academic Center for Excellence	\$ 2,158	\$ (17)	\$ -	\$ -	\$ 2,141
Alternative Academy	3,056	(1,528)	-	200	1,328
Barnes Elementary	18,149	46,955	(886)	41,893	22,325
Board of Education Building	56,272	141,862	240,764	387,834	51,064
Carl Albert Junior High	35,102	166,176	(19,307)	126,498	55,473
Carl Albert Senior High	194,621	538,246	(77,773)	488,054	167,040
Child Nutrition	1,698	2,790	(13)	1,185	3,290
Cleveland Bailey Elementary	20,502	40,988	(700)	33,146	27,644
Country Estates Elementary	11,665	37,456	(541)	38,659	9,921
Del City Elementary	14,508	38,288	(867)	31,604	20,325
Del Crest Junior High	25,755	80,643	(10,893)	79,240	16,265
Del City Senior High	113,762	375,147	(25,249)	350,617	113,043
East Side Elementary	14,227	66,043	(1,549)	60,897	17,824
Epperly Heights Elementary	17,582	53,295	(1,031)	45,632	24,214
Highland Park Elementary	23,155	43,427	(2,933)	39,969	23,680
Jarman Junior High	36,623	106,314	(8,079)	95,412	39,446
Kerr Junior High	31,115	80,255	(11,430)	66,209	33,731
Mid-Del Eubanks AVT	116,929	140,977	(10,319)	130,572	117,015
Mid-Del Transportation	93	3,022	7	2,616	506
Midwest City Senior High	78,969	419,968	(42,245)	340,055	116,637
Monrone Junior High	43,961	162,375	(19,334)	141,919	45,083
Parkview Elementary	20,553	67,451	(1,159)	52,671	34,174
Pleasant Hill Elementary	4,599	8,702	(593)	6,748	5,960
Ridge Crest Elementary	5,585	42,129	(241)	38,949	8,524
Schwartz Elementary	9,732	33,680	(108)	21,527	21,777
Soldier Creek Elementary	22,662	51,710	(1,875)	47,602	24,895
Sooner Rose Elementary	24,623	16,523	(949)	21,810	18,387
Special Services	1,629	-	(133)	12	1,484
Steed Elementary	35,579	45,977	(498)	43,256	37,802
Tinker Elementary	9,182	31,024	(1,119)	30,500	8,587
Townsend Elementary	16,540	33,884	(114)	41,853	8,457
Traub Elementary	29,199	43,087	(833)	42,485	28,968
Unposted Receipts	8,284	21,766	-	-	30,050
Total Activities	\$ 1,048,069	\$ 2,938,615	\$ -	\$ 2,849,624	\$ 1,137,060

SUPPORTING SCHEDULES

**MID-DEL SCHOOL DISTRICT NO. I-52
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA #	Grantor's Number
U.S. Department of Education		
Direct Programs:		
2010-2011 Programs		
Title VIII, Impact Aid Operations	84.041	S041B20114091
Random Drug Testing	84.184	Q184D060015
Title VII, Indian Education	84.060A	S060A101129
Pell	84.063	P063P104864
Sub-Total		
Passed-Through State Department of Education:		
2010-2011 Programs		
* Title I	84.010	N/A
* Title X, Homeless	84.196	N/A
* ARRA Title X, Homeless	84.387	N/A
* ARRA-Title I	84.389	N/A
Even Start Family Literacy	84.213	N/A
* IDEA-B Flow Through	84.027	N/A
* ARRA IDEA-B Flow Through	84.391A	N/A
* IDEA-B Flow Through Private School	84.027	N/A
* IDEA-B Preschool	84.173	N/A
* IDEA-B Preschool Private School	84.173	N/A
* ARRA Preschool	84.392A	N/A
Title II, Part A Training & Recruiting Fund	84.367	N/A
Title II, Part D, Education Through Technology	84.318X	N/A
Title III	84.365	N/A
* ARRA Education Stabilization Fund	84.394	N/A
* ARRA - GSF Textbooks	84.397	N/A
* Education Jobs	84.410	S410A100037
21st Century	84.287	N/A
Title IV, Drug Free Schools	84.186	N/A
Sub-Total		
Passed- Through State Regents Higher Education:		
2010-2011 Programs		
Gear Up	84.334A	N/A
Sub- Total		

The accompanying notes are an integral part of this schedule

continued

Balance at July 1, 2010	Receipts	Expenditures	Balance at June 30, 2011
\$ -	\$ 938,294	\$ 65,303	\$ -
-	59,594	59,594	-
-	327,091	327,091	-
-	91,988	91,988	-
<u>\$ -</u>	<u>\$ 1,416,968</u>	<u>\$ 543,976</u>	<u>\$ -</u>

\$ -	\$ 3,035,337	\$ 3,035,337	\$ -
-	67,532	67,532	-
-	33,505	33,505	-
-	1,042,288	1,042,288	-
-	119,554	119,554	-
-	2,835,482	2,835,482	-
-	1,061,186	1,061,186	-
-	1,191	1,191	-
-	71,054	71,054	-
-	628	628	-
-	49,479	49,479	-
-	563,191	563,191	-
-	83,359	83,359	-
-	29,517	29,517	-
-	3,026,903	3,026,903	-
124,701	-	124,701	-
-	2,535,291	2,535,291	-
-	226,231	226,231	-
-	36,534	36,534	-
<u>\$ 124,701</u>	<u>\$ 14,818,262</u>	<u>\$ 14,942,963</u>	<u>\$ -</u>

\$ -	\$ 1,000	\$ 1,000	\$ -
<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>

**MID-DEL SCHOOL DISTRICT NO. I-52
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA #	Grantor's Number
Passed- Through State Department of Rehabilitation Services::		
<u>2010-2011 Programs</u>		
Vocational Rehabilitation	84.126	N/A
Sub- Total		
 Passed-Through State Department of Career and Technology Education:		
<u>2010-2011 Programs</u>		
Carl Perkins	84.048	N/A
Tech Prep	84.243	N/A
Sub-Total		
 <u>U. S. Department of Agriculture</u>		
Passed-Through State Department of Education:		
Child Nutrition Cluster:		
Non-Cash Assistance (Commodities):		
National School Lunch Program	10.555	N/A
Non-Cash Assistance Sub-Total		
Cash Assistance:		
School Breakfast Program	10.553	N/A
National School Lunch Program	10.555	N/A
Summer Food Service Program for Children	10.559	N/A
Fresh Fruit/Veg Program	10.582	N/A
Cash Assistance Sub- Total		
Sub- Total for Child Nutrition Cluster		
 <u>U.S. Department of Homeland Security</u>		
Passed- Through Oklahoma Civil Emergency Management		
<u>2010-2011 Programs</u>		
FEMA	97.036	PA0600K1926
Sub- Total		

The accompanying notes are an integral part of this schedule
continued

	Balance at July 1, 2010		Receipts		Expenditures		Balance at June 30, 2011
\$	-	\$	32,252	\$	32,252	\$	-
\$	-	\$	32,252	\$	32,252	\$	-
\$	-	\$	283,970	\$	283,970	\$	-
	-		43,111		43,111		-
\$	-	\$	327,082	\$	327,082	\$	-
\$	-	\$	442,529	\$	442,529	\$	-
\$	-	\$	442,529	\$	442,529	\$	-
\$	-	\$	1,067,865	\$	1,067,865	\$	-
	-		3,000,072		3,000,072		-
	27,624		33,195		18,663		42,156
	-		120,038		117,388		2,650
\$	27,624	\$	4,221,170	\$	4,203,987	\$	44,806
\$	27,624	\$	4,663,698	\$	4,646,516	\$	44,806
\$	-	\$	67,762	\$	67,762	\$	-
\$	-	\$	67,762	\$	67,762	\$	-

MID-DEL SCHOOL DISTRICT NO. I-52
 SCHEDULE OF FEDERAL AWARDS EXPENDED
 FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA #	Grantor's Number
<u>U.S. Department of Labor</u>		
Passed- Through State Department of Career Tech		
<u>2010-2011 Programs</u>		
WIA ARRA Youth	17.259	N/A
Sub- Total		
<u>U.S. Department of Health and Human Services</u>		
Passed- Through Okla. Dept of Mental Health & Substance Abuse		
<u>2010-2011 Programs</u>		
Oklahom Youth Suicide Prevention	93.243	N/A
Sub- Total		
Passed- Through State Dept of Career Tech:		
<u>2010-2011 Programs</u>		
TANF	93.558	N/A
Sub- Total		
<u>Other Federal Assistance</u>		
<u>2010-2011 Programs</u>		
JOM	15.130	N/A
Sub-Total		

TOTAL FEDERAL ASSISTANCE

* Major program

The accompanying notes are an integral part of this schedule

Balance at July 1, 2010	Receipts	Expenditures	Balance at June 30, 2011
\$ -	\$ 2,545	\$ 2,545	\$ -
\$ -	\$ 2,545	\$ 2,545	\$ -
\$ -	\$ 40,000	\$ 40,000	\$ -
\$ -	\$ 40,000	\$ 40,000	\$ -
\$ -	\$ 325,675	\$ 325,675	\$ -
\$ -	\$ 325,675	\$ 325,675	\$ -
\$ -	\$ 22,470	\$ 17,104	\$ 5,366
\$ -	\$ 22,470	\$ 17,104	\$ 5,366
\$ 152,325	\$ 21,717,714	\$ 20,946,875	\$ 50,173

**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, 2011**

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

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

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

3. Positive amounts listed in the either "Balance at July 1, 2010" or "Balance at June 30, 2011" column represent funds received by the school and not yet expended or coded to the program.
4. The District received donated foods through the Federal Food Distribution Program (10.550). The District is required to maintain inventory records of each type of commodities received through the program. At June 30, 2011, the school maintained an immaterial amount of food commodities inventory.
5. Reconciliation of the Schedule of Expenditures of Federal Awards to Statement of Revenue, Expenditures and Changes in Fund Balance is as follows:

Total Federal Revenue as reflected on	
"Schedule of Federal Awards Expended"	\$ <u>21,717,714</u>
Total Federal Revenue as reflected on	
"Statement of Revenue, Expenditures and Changes In Fund Balance"	\$ 22,868,880
Less: Federal funds not considered federal financial assistance:	
ROTC	(180,423)
Tinker Skills	(1,062,731)
Plus: Federal funds Transacted as Agency Funds	
Student Financial Aid	<u>91,988</u>
Reconciled Total	\$ <u>21,717,714</u>

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

KERRY JOHN PATTEN, C.P.A.

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



**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable Board of Education
Midwest City-Del City School District No. 1-52
Oklahoma County, Oklahoma

I have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Midwest City-Del City School District No. 1-52, Midwest City, Oklahoma, as of and for the year ended June 30, 2011, which collectively comprise Midwest City-Del City School District's basic financial statements and have issued my report thereon dated January 4, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Midwest City-Del City School District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Midwest City-Del City School District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Midwest City-Del City School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance that I have reported to management of Midwest City-Del City School District in a separate letter dated January 4, 2012.

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


Kerry John Patten, C.P.A.
January 4, 2012

KERRY JOHN PATTEN, C.P.A.

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



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

I have audited the compliance of Midwest City-Del City School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Midwest City-Del City School District's major federal programs for the year ended June 30, 2011. Midwest City-Del City School District's major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Midwest City-Del City School District's management. My responsibility is to express an opinion on Midwest City-Del City School District's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Midwest City-Del City School District's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Midwest City-Del City School District's compliance with those requirements.

In my opinion, Midwest City-Del City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

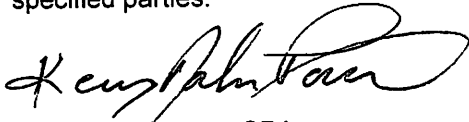
The management of Midwest City-Del City School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Midwest City-Del City School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the entity's internal control over compliance.

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

Internal Control over Compliance
Page 2

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

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



Kerry John Patten, CPA
January 4, 2012

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

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: Title I, (84.010); ARRA Title I, (84.389); Title X Homeless, (84.196); ARRA Title X Homeless, (84.387); IDEA-B Flow Through, (84.027); ARRA IDEA-B Flow Through, (84.391); IDEA-B Preschool, (84.173); ARRA IDEA-B Preschool (84.392); ARRA Education Stabilization, (84.394); ARRA GSF Textbook, (84.397);and Education Jobs, (84.410).
8. A threshold for distinguishing Types A and B programs was \$628,505.
9. Midwest City-Del City School District was determined to be a low-risk auditee for purposes of determining overall percentage of Federal compliance testing.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

1. No matters were reported.

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

1. No matters were reported.

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52
OKLAHOMA COUNTY, OKLAHOMA
SUMMARY OF PRIOR AUDIT FINDINGS
FOR YEAR ENDED JUNE 30, 2011**

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, 2011

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 2009-10 audit report which required resolution during the year ended June 30, 2011.

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

MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
FOR YEAR ENDED JUNE 30, 2011

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 2010-11.

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

BY *Kerry John Patten*
AUTHORIZED AGENT



Subscribed and sworn to before me on this
3rd day of January, 2012

Linda Kellick
NOTARY PUBLIC

My commission expires on:
30th day of November, 2013