

**FINANCIAL STATEMENTS – REGULATORY BASIS
AND REPORTS OF INDEPENDENT AUDITOR**

**MOORE INDEPENDENT SCHOOL DISTRICT NO. 1-2,
CLEVELAND COUNTY, OKLAHOMA**

JUNE 30, 2016

Audited by

**SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

BROKEN ARROW, OK

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2016

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INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
JUNE 30, 2016

TABLE OF CONTENTS

	<u>Page No.</u>
School District Officials	2
Table of Contents	3-4
Independent Auditor's Report	5-6
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements - Regulatory Basis – Performed in Accordance with Government Auditing Standards	7-8
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required By the Uniform Guidance	9-10
Disposition of Prior Year's Reportable Conditions and Material Instances of Non-Compliance	11
Schedule of Audit Results, Findings and Questioned Costs	12
Combined Financial Statements – Regulatory Basis	
Combined Statement of Assets, Liabilities and Fund Balance All Fund Types and Account Groups – Regulatory Basis	13
Combined Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – All Governmental Fund Types – Regulatory Basis	14
Combined Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – Budget and Actual – Budgeted Governmental Fund Types – Regulatory Basis	15-17
Notes to Combined Financial Statements - Regulatory Basis	18-38
Combining Financial Statements – Regulatory Basis	
Combining Statement of Assets, Liabilities and Fund Balance – All Special Revenue Funds – Regulatory Basis	39

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
JUNE 30, 2016

Page No.

Combining Financial Statements – Regulatory Basis – cont'd

Combining Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – All Special Revenue Funds – Regulatory Basis	40
Combining Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – Budget and Actual – Budgeted Special Revenue Fund Types – Regulatory Basis	41
Combining Statement of Assets, Liabilities and Fund Equity – All Capital Project Funds – Regulatory Basis	42
Combining Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – All Capital Project Funds – Regulatory Basis	43
Combining Statement of Changes in Assets and Liabilities –Agency Funds – Regulatory Basis	44-50
Schedule of Expenditures of Federal Awards – Regulatory Basis	51
Schedule of Statutory, Fidelity and Honesty Bonds	52
Schedule of Accountant's Professional Liability Insurance Affidavit	53



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT

December 20, 2016

The Honorable Board of Education
Moore School District Number I-2
Moore, Cleveland County, Oklahoma

Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of the Moore School District Number I-2, Moore, Cleveland County, Oklahoma (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education to meet financial reporting requirements of the State of Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1, the financial statements are prepared by the District, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonable determined, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2016, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Unqualified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balance arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2016, and the revenues collected and expenditures paid and encumbered for the year then ended on the regulatory basis of accounting described in Note 1.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The combining statements – regulatory basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining statements – regulatory basis and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements – regulatory basis and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2016 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

Broken Arrow, OK



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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

December 20, 2016

The Honorable Board of Education
Moore School District Number I-2
Moore, Cleveland County, Oklahoma

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements – regulatory basis within the combined financial statements of the Moore School District Number I-2, Moore, Cleveland County, Oklahoma (District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 20, 2016, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was unqualified with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Sanders, Bledsoe & Hewett". The script is cursive and fluid, with the ampersand clearly visible.

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

Broken Arrow, OK



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

December 20, 2016

The Honorable Board of Education
Moore School District Number I-2
Moore, Cleveland County, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Moore School District Number I-2, Moore, Cleveland County, Oklahoma (District)'s, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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



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INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
DISPOSITION OF PRIOR YEAR'S SIGNIFICANT DEFICIENCIES AND
MATERIAL INSTANCES OF NON-COMPLIANCE
JUNE 30, 2016

2015-1 - *Unrecorded Liabilities*

Condition: We observed during the 2014-15 fiscal year audit, that there were some purchase orders which were issued against fiscal year 2015-16 appropriations, which were in payment of indebtedness actually incurred in the 2014-15 fiscal year.

Disposition: This issue was corrected in the current fiscal year.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016

Section 1 - Summary of Auditor's Results

1. An adverse opinion on the combined financial statements in conformity with generally accepted accounting principles and an unqualified opinion on the combined financial statements in conformity with a regulatory basis of accounting prescribed by the Oklahoma State Department of Education.
2. The audit disclosed no significant deficiencies in the internal controls over financial reporting that was not considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance which are material to the financial statements.
4. The audit disclosed no significant deficiencies in the internal controls over major programs that were considered to be material weaknesses.
5. An unqualified opinion report was issued on the compliance of major programs.
6. The audit disclosed no audit findings which are required to be reported under the Uniform Guidance.
7. Programs determined to be major were the Title I Programs (84.010), and Child Nutrition Programs (10.553, 10.555, 10.559), which were clustered in determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The auditee was determined to be a low-risk auditee.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS

NONE

Section 3 – Findings and questioned costs for federal awards

NONE

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS
JUNE 30, 2016

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
<u>ASSETS</u>								
Cash & cash equivalents	\$ 19,560,069	8,934,970	24,154,094	18,373,005	3,703,334			74,725,472
Inventory	335,947	231,535						567,482
Capital assets						287,413,730		287,413,730
Amounts available in debt service							18,373,005	18,373,005
Amount to be provided for retirement of long-term debt							66,053,464	66,053,464
Total Assets	<u>\$ 19,896,016</u>	<u>9,166,505</u>	<u>24,154,094</u>	<u>18,373,005</u>	<u>3,703,334</u>	<u>287,413,730</u>	<u>84,426,469</u>	<u>447,133,153</u>
<u>LIABILITIES AND FUND BALANCE</u>								
Liabilities								
Warrants payable	\$ 5,965,694	632,867	365,219					6,963,780
Funds held for school organizations					3,703,334			3,703,334
Long-term debt:								
Compensated absences							1,458,623	1,458,623
Capital leases							1,067,846	1,067,846
Bonds payable							81,900,000	81,900,000
Total liabilities	<u>5,965,694</u>	<u>632,867</u>	<u>365,219</u>	<u>0</u>	<u>3,703,334</u>	<u>0</u>	<u>84,426,469</u>	<u>95,093,583</u>
Fund Balance and Other Credits								
Cash Fund Balances								
Investment in General Fixed Assets						287,413,730		287,413,730
Restricted for inventories	335,947	231,535						567,482
Restricted		8,302,103	23,788,875	18,373,005				50,463,983
Unrestricted	13,594,375							13,594,375
Total Fund Balance and Other Credits	<u>13,930,322</u>	<u>8,533,638</u>	<u>23,788,875</u>	<u>18,373,005</u>	<u>0</u>	<u>287,413,730</u>	<u>0</u>	<u>352,039,570</u>
Total Liabilities, Fund Balance and Other Credits	<u>\$ 19,896,016</u>	<u>9,166,505</u>	<u>24,154,094</u>	<u>18,373,005</u>	<u>3,703,334</u>	<u>287,413,730</u>	<u>84,426,469</u>	<u>447,133,153</u>

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

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE
Revenues Collected:				
Local sources	\$ 37,304,681	9,683,236	619,658	23,854,882
Intermediate sources	5,468,712			
State sources	87,505,943	87,624		
Federal sources	8,261,363	7,375,983		
Interest earnings	23,996	5,889		43,042
Non revenue receipts	5,504,319	612		
Total revenues collected	<u>144,069,014</u>	<u>17,153,344</u>	<u>619,658</u>	<u>23,897,924</u>
Expenditures:				
Instruction	88,202,374	73,858	3,630,830	
Support services	49,061,990	5,735,007	4,226,097	
Operation of non-instructional services	5,481,498	4,187,756	313,800	
Facilities acquisition and construction svcs	29,393	2,200,103	8,407,797	
Other outlays:				
Reimbursement		4,398,396		
Debt service				16,761,889
Total expenditures	<u>142,775,255</u>	<u>16,595,120</u>	<u>16,578,524</u>	<u>16,761,889</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	1,293,759	558,224	(15,958,866)	7,136,035
Other financing sources (uses):				
Proceeds from sale of bonds			23,460,000	
Adjustments to prior year encumbrances	1,666	300		
Total other financing sources (uses)	<u>1,666</u>	<u>300</u>	<u>23,460,000</u>	<u>0</u>
Excess of revenue collected over (under) expenditures	1,295,425	558,524	7,501,134	7,136,035
Cash fund balances, beginning of year	<u>12,716,859</u>	<u>7,975,729</u>	<u>16,287,741</u>	<u>11,236,970</u>
Change in reserve of inventories	<u>(81,962)</u>	<u>(615)</u>	<u>0</u>	<u>0</u>
Cash fund balances, end of year	<u>\$ 13,930,322</u>	<u>8,533,638</u>	<u>23,788,875</u>	<u>18,373,005</u>

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

INDEPENDENT SCHOOL DISTRICT NO. I- 2, CLEVELAND COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016

	GENERAL FUND		
	Original/Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues Collected:			
Local sources	\$ 36,236,916	37,304,681	1,067,765
Intermediate sources	4,692,924	5,468,712	775,788
State sources	88,987,552	87,505,943	(1,481,609)
Federal sources	8,421,032	8,261,363	(159,669)
Interest earnings	15,000	23,996	8,996
Non-revenue receipts	5,560,000	5,504,319	(55,681)
Total revenues collected	143,913,424	144,069,014	155,590
Expenditures:			
Instruction	89,386,729	88,202,374	1,184,355
Support services	53,175,561	49,061,990	4,113,571
Operation of non-instructional services	5,263,813	5,481,498	(217,685)
Facilities acquisition & construction services	136,274	29,393	106,881
Other outlays:			
Indirect cost entitlement	10,212		10,212
Private non-profit schools	2,142		2,142
Other uses	1,000		1,000
Repayments	8,236,643		8,236,643
Total expenditures	156,212,374	142,775,255	13,437,119
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(12,298,950)	1,293,759	13,592,709
Adjustments to prior year encumbrances	0	1,666	1,666
Excess of revenues collected over (under) expenditures	(12,298,950)	1,295,425	13,594,375
Cash fund balance, beginning of year	12,716,859	12,716,859	0
Change in reserve of inventories	0	(81,962)	(81,962)
Cash fund balance, end of year	\$ 417,909	13,930,322	13,512,413

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

INDEPENDENT SCHOOL DISTRICT NO. I- 2, CLEVELAND COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS		
	Original/Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues Collected:			
Local sources	\$ 8,617,536	9,683,236	1,065,700
State sources	124,536	87,624	(36,912)
Federal sources	6,157,650	7,375,983	1,218,333
Interest earnings	6,500	5,472	(1,028)
Non-revenue receipts		612	612
Total revenues collected	<u>14,906,222</u>	<u>17,152,927</u>	<u>2,246,705</u>
Expenditures:			
Instruction	80,000	32,722	47,278
Support services	7,769,000	5,575,525	2,193,475
Operation of non-instructional services	5,362,000	4,187,756	1,174,244
Facilities acquisition & construction services	1,864,560	879,667	984,893
Other outlays:			
Reimbursement	4,620,000	4,398,396	221,604
Other Uses	1,335,746		1,335,746
Total expenditures	<u>21,031,306</u>	<u>15,074,066</u>	<u>5,957,240</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(6,125,084)	2,078,861	8,203,945
Adjustments to prior year encumbrances	<u>0</u>	<u>300</u>	<u>300</u>
Excess of revenues collected over (under) expenditures	(6,125,084)	2,079,161	8,204,245
Cash fund balances, beginning of year	6,357,234	6,357,234	0
Change in reserve of inventories	<u>0</u>	<u>(615)</u>	<u>(39,857)</u>
Cash fund balances, end of year	<u>\$ 232,150</u>	<u>8,435,780</u>	<u>8,164,388</u>

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

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016

	DEBT SERVICE FUND		
	Original/Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues Collected:			
Local sources	\$ 22,816,567	23,854,882	1,038,315
Interest earnings		43,042	43,042
Total revenues collected	<u>22,816,567</u>	<u>23,897,924</u>	<u>1,081,357</u>
Requirements:			
Bonds	22,880,000	15,650,000	7,230,000
Coupons	1,275,108	1,111,662	163,446
Fees	0	227	(227)
Total requirements	<u>24,155,108</u>	<u>16,761,889</u>	<u>7,393,219</u>
Excess of revenue collected over (under) expenditures	(1,338,541)	7,136,035	8,474,576
Cash fund balance, beginning of year	<u>11,236,970</u>	<u>11,236,970</u>	<u>0</u>
Cash fund balance, end of year	<u>\$ 9,898,429</u>	<u>18,373,005</u>	<u>8,474,576</u>

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

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Moore Public Schools Independent District, No. I-2 (the “District”), have been prepared in conformity with another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education as authorized by Oklahoma Statutes. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with the accounting principles generally accepted in the United States of America. The District’s accounting policies are described in the following notes that are an integral part of the District’s financial statements.

A. Reporting Entity

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

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

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

A. Reporting Entity – cont’d

whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District’s reporting entity.

B. Measurement Focus

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

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

Funds are classified into three categories: Governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.”

Governmental Fund Types

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

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

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus - cont'd

Special Revenue Funds – Special revenue funds account for revenue sources that are restricted to expenditures for specific purposes. The special revenue funds typically include the building, co-op and child nutrition funds.

Building Fund – The building fund consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.

Insurance Recovery Fund – The insurance recovery fund is established when the District receives insurance recoveries from property damage (normally weather related) to be used for all property repair and replacement.

Child Nutrition Fund - The child nutrition fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students. The District operates their child nutrition program within the general fund.

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

Capital Projects Fund – The capital projects fund is the District's bond fund and 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.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus – cont’d

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. The terms “non-expendable” and “expendable” refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operation.

Expendable Trust Funds – Expendable trust funds typically include the gifts and endowments fund. The District did not maintain a gifts and endowment fund during the 2015-16 fiscal year.

Gifts and Endowments Fund – The gifts and endowments fund receives its assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. This fund is used to promote the general welfare of the District.

Agency Fund – The agency fund is the school activities fund which is used to account for monies collected principally through the fundraising efforts of students and District-sponsored groups. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds.

Account Groups

An account group is not a fund and consists of a self-balancing set of accounts used only to establish accounting control over long-term debt and fixed assets.

General Long-Term Debt Account Group – This account group is established to account for all the long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for other liabilities (judgements and lease purchases) which are to be paid from funds provided in future years.

General Fixed Assets Account Group – This account group is used by governments to account for the property, plant and equipment of the school district.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus – cont’d

Memorandum Only - Total Column

The total column on the combined financial statements – regulatory basis is captioned “memorandum only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. Basis of Accounting and Presentation

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

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not as inventory assets.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded in the General Long-Term Debt Account Group and not in the basic financial statements.
- Compensated absences are recorded as expenditures when paid and not recorded as a liability.
- Fixed assets are recorded in the General Fixed Asset Account Group and not in the basic financial statements. Fixed assets are not depreciated.

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and, when revenues are earned.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

C. Basis of Accounting and Presentation – cont’d

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental type funds are accounted for using the regulatory basis of accounting. Revenues are recognized when they are received rather than earned and expenditures are generally recognized when encumbered/reserved rather than at the time the related fund liability is incurred. These practices differ from accounting principles generally accepted in the United States.

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31, for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

A budget is legally adopted by the Board of Education for all funds (with the exception of the trust and agency funds) that includes revenues and expenditures.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all governmental funds of the District. Unencumbered appropriations lapse at the end of each fiscal year. While the Debt Service Fund is a governmental fund, a comparison of budget to actual schedule is presented in the financial statements, although the board can exercise no control of the revenue sources for this fund (except interest earnings), and no control over its expenditures.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Equity

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

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

Inventories – The value of consumable inventories at June 30, 2016, is not material to the combined financial statements.

Fixed Assets and Property, Plant and Equipment – The District has maintained a record of general fixed assets, and, accordingly, a General Fixed Assets Account Group required by the regulatory basis of accounting prescribed by the Oklahoma State Department of Education is included in the financial statements. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

Warrants Payable – Warrants are issued to meet the obligations for goods and services provided to the District. The District recognizes a liability for the amount of outstanding warrants that have yet to be redeemed by the District's treasurer.

Encumbrances – Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services received by the District for which a warrant has not been issued. An expenditure is recorded and a liability is recognized for outstanding encumbrances at year end in accordance with the regulatory basis of accounting. While the regulatory basis that is used for the Debt Service Fund approximates full accrual accounting, the accruals recorded are reported to meet regulatory requirements, as opposed to the requirements of generally accepted accounting principles.

Compensated Absences – The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. District policy allows certified employees to accumulate such days to a maximum number of days. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources had not been reported as an expenditure of the governmental fund that will pay it since the financial statements have been prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

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

Funds Held for School Organizations – Funds held for school organizations represent the funds received or collected from students or other cocurricular and extracurricular activities conducted in the District, control over which is exercised by the board of education. These funds are credited to the account maintained for the benefit of each particular activity within the school activity fund.

Long-Term Debt – Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

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

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

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

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

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

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

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

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

F. Revenue and Expenditures

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

Intermediate Revenues - Revenue from intermediate sources is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the District and the state, and distributed to Districts in amounts that differ in proportion to those which are collected within such systems.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

State Revenues – Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the Districts.

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions from or additions to the revenue of the year when the adjustment is made.

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

Federal Revenues – Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a passthrough from another government, such as the state. Entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes. The majority of the federal revenues received by the District are apportioned to the general fund. The District maintains a separate child nutrition fund and the federal revenues received for the child nutrition programs are apportioned there.

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

Interest Earnings – Represent compensation for the use of financial sources over a period of time.

Non-Revenue Receipts – Non-revenue receipts represent receipts deposited into a fund that are not new revenues to the District, but the return of assets.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

Instruction Expenditures – Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving cocurricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process. The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

Support Services Expenditures – Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

Operation of Non-Instructional Services Expenditures – Activities concerned with providing non-instructional services to students, staff or the community.

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

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

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

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

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no interfund transfers made during the 2014-15 fiscal year.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District's cash deposits and investments at June 30, 2016, were \$74,725,472, at financial institutions, and were completely insured or collateralized by federal depository insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District's name.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the required liquidity for those investments, these funds have no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

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

- Direct obligations of the U.S. Government, its agencies and instrument to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

2. CASH AND INVESTMENTS – cont'd

- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

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

3. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2016.

4. GENERAL LONG-TERM DEBT

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

General long-term debt of the District consists of general obligation bonds. Debt service requirements for bonds are paid solely from the fund balance and the future revenues of the debt service fund.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

4. GENERAL LONG-TERM DEBT – cont'd

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2016:

	Lease/Purchase	Bonds	
	Agreements	Payable	Total
Balance, July 1, 2015	\$ 1,454,592	74,090,000	75,544,592
Additions	-	23,460,000	23,460,000
Retirements	(386,746)	(15,650,000)	(16,036,746)
Balance, June 30, 2016	\$ 1,067,846	81,900,000	82,967,846

A brief description of the outstanding long-term debt at June 30, 2016, is set forth below:

	<u>Amount Outstanding</u>
<u>General Obligation Bonds:</u>	
Combined Purpose Bonds, Series 2012, original issue \$13,860,000, interest rates of 1.25% to 2.00%, due in initial installment of \$3,465,000, annual installments of \$3,465,000, final payment due 5-1-17	3,465,000
Combined Purpose Bonds, Series 2012, original issue \$6,160,000, interest rates of .50% to 2.00%, due in initial installment of \$2,050,000, annual installments of \$2,050,000, final payment due 10-1-17	4,110,000
Combined Purpose Bonds, Series 2014, original issue \$26,540,000, interest rates of 1.000% to 1.250%, due in initial installment of \$6,635,000, annual installments of \$6,635,000, final payment due 3-1-19	19,905,000
Combined Purpose Bonds, Series 2015, original issue \$7,060,000, interest rate of 2.00% due in one installment of \$7,060,000, on 12-1-17	7,060,000

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

4. GENERAL LONG-TERM DEBT – cont'd

Combined Purpose Bonds, Series 2016, original issue \$16,400,000, interest rates of 1.50% to 2.00%, due in initial installment of \$4,100,000, annual installments of \$4,100,000, final payment due 3-1-21	16,400,000
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Combined Purpose Bonds, Series 2015, original issue \$30,960,000, interest rate of 1.50% to 2.00% due in initial installment of \$7,740,000 annual installments of \$7,740,000, final payment due 3-1-20	30,960,000
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Capital Lease Purchase Agreements

Lease purchase of Data Storage equipment, dated May 14, 2014, totaling \$692,690, due in annual principal and interest payments of \$138,592.	266,976
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Lease purchase of computer equipment, dated April 3, 2014, totaling \$999,956, due in annual principal and interest payments of \$205,990.	599,884
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Lease purchase of computer equipment, dated April 2, 2014, totaling \$327, 743, due in annual principal and interest payments of \$70,196.	<u>200,986</u>
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Total	<u>\$ 82,967,846</u>
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The annual debt service requirements for outstanding bond issues and capital leases, including the payment of principal and interest, are as follows:

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

4. GENERAL LONG-TERM DEBT – cont'd

Year Ending	Principal	Interest	Total
2017	\$ 20,284,382	1,413,470	21,697,852
2018	27,997,186	964,165	28,961,351
2019	18,746,278	604,453	19,350,731
2020	11,840,000	318,800	12,158,800
2021	4,100,000	82,000	4,182,000
Total	<u>\$ 82,967,846</u>	<u>3,382,888</u>	<u>86,350,734</u>

Interest paid on general long-term debt during the 2015-16 fiscal year totaled \$1,111,662.

5. EMPLOYEE RETIREMENT SYSTEM

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, OK 73152, or by calling 405-521-2387.

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

5. EMPLOYEE RETIREMENT SYSTEM – cont'd

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. For the 2015-16 fiscal year, the District contributed 9.5% and the State of Oklahoma contributed the remaining amount during the year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, if a member's salary is paid in part by federal or private funds, the contribution on that portion of the salary paid by those funds must be matched by the District at 5.12%.

Annual Pension Cost

The District's total contributions for 2016, 2015 and 2014 are \$15,197,323, \$14,878,129, and \$14,628,463, respectively. Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2016. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Please visit www.ok.gov/TRS for all plan information.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employers who participate in a pension plan, such as the System, and who prepare published financial statements on an accrual basis using Generally Accepted Accounting Principles. Since the District does not prepare and present their financial statements on an accrual basis, the net pension amount is not required to be presented on the audited financial statements. The amount of calculated pension liability for the District at June 30, 2015 (the latest information available) was \$136,215,212.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

6. RISK MANAGEMANT – cont'd

The District is a member of the Oklahoma Public Schools Unemployment Compensation Program. In this program the District is required to contribute 1.6% of its taxable payroll for unemployment insurance. The funds for each District are kept separate and Districts can contribute more than 1.6% of their payroll if they elect to. The money contributed by each District earns interest and is fully insured. If the District has claims in excess of the amount in its account, it will be liable for the excess.

The School participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the School reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements,

claims processing, and legal defense for any and all claims submitted to it during the plan year. As a member of OSAG, the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the school's losses for the last five years. OSAG provides coverage in excess of the Loss Fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use its loss fund in three years, it is returned to the District with no interest.

7. CONTINGENCIES

Federal Grants

Amounts received or receivable from grant 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 amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2015-16 fiscal year. The new Uniform Guidance established uniform audit requirements for nonfederal entities which expended more than \$750,000 in federal awards.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

7. CONTINGENCIES – cont'd

Litigation

The District is 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. Should a judgment be awarded against the District, it would be levied through the District's sinking fund over a three year period pursuant to state law.

Subsequent Events

Management has evaluated subsequent events through December 20, 2016, which is the date the financial statements were available to be issued, and have determined that no additional information needs to be added to the financial statements.

8. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Ending Balances</u>
<i>Capital Assets:</i>					
Land	\$ 9,222,956		6,900	(1,631,580)	7,598,276
Constructin in progress	24,884,283	20,170,642	(24,911,457)		20,143,468
Building & improvements	354,864,945	1,630,217	24,904,557	(6,645)	381,393,074
Equipment & vehicles	<u>27,415,850</u>	<u>2,698,820</u>		<u>(2,289,654)</u>	<u>27,825,016</u>
Total Capital Assets	<u>\$416,388,034</u>	<u>24,499,679</u>	<u>0</u>	<u>(3,927,879)</u>	<u>436,959,834</u>
Accumulated depreciation	<u>0</u>	<u>(153,473,983)</u>		<u>3,927,879</u>	<u>(149,546,104)</u>
Net Fixed Assets	<u>\$416,388,034</u>	<u>(128,974,304)</u>	<u>0</u>	<u>0</u>	<u>287,413,730</u>

The 15-16 fiscal year is the first year in which an accumulated depreciation figure has been calculated and recorded in the general fixed asset account group. Under the District's capitalization policy assets with a value of less than \$2,500, are not reported in the financial statements nor in depreciation calculations. The transactions/accounting of the general fixed account group have no effect on the individual funds' basic financial statements prepared on the regulatory basis of accounting

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

9. LEASE REVENUE BONDS

In February, 2013 patrons of the Moore Public School District No. I-2 an Independent school district of Cleveland County in the State of Oklahoma voted and approved \$126,460,000 in bonds. In September 2013, the Cleveland County Educational Facilities Authority issued \$65,625,000 of Educational Facilities Lease Revenue Bonds Series 2013, to provide funds for the constructing, equipping, repairing and remodeling of school buildings, acquiring furniture, fixtures and equipment and acquiring and improving school sites for the benefit of Moore Public Schools. The Authority intends and expects to own the projects at all times during the term of the bonds. During such term, the Authority intends and expects to lease the projects to the District for its exclusive use. The bonds are to be retired by annual acquisition payments beginning June 1, 2014 and ending June 1, 2018. The District will also make semi-annual rental payments to the authority of \$1,500. Moore Public Schools will gain ownership to the capital improvements incrementally as each bond payment is made. Acquisition payments are as follows:

Year	Payment
2014	\$ 15,660,000
2015	20,920,000
2016	6,360,000
2017	13,260,000
2018	<u>18,000,000</u>
Total	\$ 74,200,000
Interest	<u>(8,575,000)</u>
Net	<u><u>\$ 65,625,000</u></u>

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

9. LEASE REVENUE BONDS – cont’d

In October 2015 patrons of the Moore Public School District No. I-2 an Independent school district of Cleveland County in the State of Oklahoma voted and approved \$209,000,000 in bonds. In March 2016, the Cleveland County Educational Facilities Authority issued \$103,045,000 of Educational Facilities Lease Revenue Bonds Series 2016. The purpose of the bond issue is to provide funds for the purpose of improving or acquiring school sites, constructing storm shelters, repairing, remodeling, and equipping school buildings, acquiring school furniture, fixtures and equipment. The Authority intends and expects to own the projects at all times during the term of the bonds. During such term, the Authority intends and expects to lease the projects to the District for exclusive use. The bonds are to be retired by annual acquisition payments beginning June 1, 2017 and ending June 1, 2023. The District will also make semi-annual rental payments to the authority of \$1,500. Moore Public Schools will gain ownership to the capital improvements incrementally as each bond payment is made. Acquisition payments are as follows:

Year	Payments
2017	\$ 6,610,000
2018	6,495,000
2019	38,740,000
2020	6,660,000
2021	12,280,000
2022	16,900,000
2023	<u>38,865,000</u>
Total	\$ 126,550,000
Interest	<u>(23,505,000)</u>
Net	<u><u>\$ 103,045,000</u></u>

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016

	BUILDING FUND	CHILD NUTRITION FUND	INSURANCE RECOVERY FUND	TOTAL
<u>ASSETS</u>				
Cash & cash equivalents	\$ 5,238,269	3,503,273	193,428	8,934,970
Inventory		231,535		231,535
Total Assets	<u>\$ 5,238,269</u>	<u>3,734,808</u>	<u>193,428</u>	<u>9,166,505</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Warrants payable	\$ 514,832	22,465	95,570	632,867
Total Liabilities	<u>514,832</u>	<u>22,465</u>	<u>95,570</u>	<u>632,867</u>
Fund Equity:				
Cash fund balances	4,723,437	3,480,808	97,858	8,302,103
Reserve for inventories		231,535		231,535
Total Fund Balance	<u>4,723,437</u>	<u>3,712,343</u>	<u>97,858</u>	<u>8,533,638</u>
Total Liabilities and Fund Balance	<u>\$ 5,238,269</u>	<u>3,734,808</u>	<u>193,428</u>	<u>9,166,505</u>

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016

	BUILDING FUND	CHILD NUTRITION FUND	INSURANCE RECOVERY FUND	TOTAL
Revenues Collected:				
Local sources	\$ 5,976,060	3,707,176		9,683,236
State sources		87,624		87,624
Federal sources	2,380,091	4,995,892		7,375,983
Interest earnings	2,582	2,890	417	5,889
Non-revenue	612			612
Total revenues collected	<u>8,359,345</u>	<u>8,793,582</u>	<u>417</u>	<u>17,153,344</u>
Expenditures:				
Instruction	32,722		41,136	73,858
Support services	5,575,525		159,482	5,735,007
Operation of non-instructional services		4,187,756		4,187,756
Facilities acquisition construction services	879,667		1,320,436	2,200,103
Other outlays:				
Reimbursement		4,398,396		4,398,396
Total expenditures	<u>6,487,914</u>	<u>8,586,152</u>	<u>1,521,054</u>	<u>16,595,120</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	1,871,431	207,430	(1,520,637)	558,224
Adjustments to prior year encumbrances	<u>224</u>	<u>76</u>		<u>300</u>
Excess of revenues collected over (under) expenditures	1,871,655	207,506	(1,520,637)	558,524
Cash fund balances, beginning of year	2,851,782	3,505,452	1,618,495	7,975,729
Change in reserve of inventories	<u>0</u>	<u>(615)</u>	<u>0</u>	<u>(615)</u>
Cash fund balances, end of year	<u>\$ 4,723,437</u>	<u>3,712,343</u>	<u>97,858</u>	<u>8,533,638</u>

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - BUDGET AND ACTUAL COMPARISON
 ALL BUDGETED SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016

	BUILDING FUND			CHILD NUTRITION FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues Collected:						
Local sources	\$ 5,042,544	5,042,544	5,976,060	\$ 3,574,992	3,574,992	3,707,176
State sources				124,536	124,536	87,624
Federal sources	1,900,000	1,900,000	2,380,091	4,257,650	4,257,650	4,995,892
Interest earnings	3,000	3,000	2,582	3,500	3,500	2,890
Non-revenue receipts			612			
Total revenues collected	<u>6,945,544</u>	<u>6,945,544</u>	<u>8,359,345</u>	<u>7,960,678</u>	<u>7,960,678</u>	<u>8,793,582</u>
Expenditures:						
Instruction	80,000	80,000	32,722			
Support services	7,769,000	7,769,000	5,575,525			
				5,362,000	5,362,000	4,187,756
Facilities acquisition & construction services	1,864,560	1,864,560	879,667			
Other outlays:						
Reimbursement				4,620,000	4,620,000	4,398,396
Other Uses	83,766	83,766		1,251,980	1,251,980	
Total expenditures	<u>9,797,326</u>	<u>9,797,326</u>	<u>6,487,914</u>	<u>11,233,980</u>	<u>11,233,980</u>	<u>8,586,152</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(2,851,782)	(2,851,782)	1,871,431	(3,273,302)	(3,273,302)	207,430
Adjustment to prior year encumbrances	<u>0</u>	<u>0</u>	<u>224</u>	<u>0</u>	<u>0</u>	<u>76</u>
Excess of revenues collected over (under) expenditures	(2,851,782)	(2,851,782)	1,871,655	(3,273,302)	(3,273,302)	207,506
Cash fund balances, beginning of year	2,851,782	2,851,782	2,851,782	3,505,452	3,505,452	3,505,452
Change in reserve of inventories	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(615)</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>0</u>	<u>4,723,437</u>	<u>\$ 232,150</u>	<u>232,150</u>	<u>3,712,343</u>

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY -
 ALL CAPITAL PROJECT FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016

	#32 BUILDING BOND FUND	#33 BUILDING BOND FUND	#39 BUILDING BOND FUND	#31 BUILDING BOND FUND	TOTAL
<u>ASSETS</u>					
Cash & cash equivalents	\$ 12,532,511	7,153,074	984,395	3,484,114	24,154,094
Total assets	<u>\$ 12,532,511</u>	<u>7,153,074</u>	<u>984,395</u>	<u>3,484,114</u>	<u>24,154,094</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Liabilities:					
Warrants outstanding	\$ 179,236		100,995	84,988	365,219
Total Liabilities	<u>179,236</u>	<u>0</u>	<u>100,995</u>	<u>84,988</u>	<u>365,219</u>
Fund Equity:					
Cash fund balances	<u>12,353,275</u>	<u>7,153,074</u>	<u>883,400</u>	<u>3,399,126</u>	<u>23,788,875</u>
Total Liabilities and Fund Equity	<u>\$ 12,532,511</u>	<u>7,153,074</u>	<u>984,395</u>	<u>3,484,114</u>	<u>24,154,094</u>

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL CAPITAL PROJECT FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2016

	#32 BOND FUND	#33 BOND FUND	#39 BOND FUND	#31 BOND FUND	TOTAL
Revenues Collected:					
Local sources	\$ 476,664	128,029	1,145	13,820	619,658
Total revenues collected	<u>476,664</u>	<u>128,029</u>	<u>1,145</u>	<u>13,820</u>	<u>619,658</u>
Expenditures:					
Instruction	1,992		1,240,732	2,388,106	3,630,830
Support services	243,253	34,955	997,225	2,950,664	4,226,097
Non-instructional services	2,365		69,675	241,760	313,800
Facilities acquisition & construction services	4,275,779		1,717,866	2,414,152	8,407,797
Total expenditures	<u>4,523,389</u>	<u>34,955</u>	<u>4,025,498</u>	<u>7,994,682</u>	<u>16,578,524</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(4,046,725)	93,074	(4,024,353)	(7,980,862)	(15,958,866)
Other financing sources and uses					
Bond proceeds	16,400,000	7,060,000			23,460,000
Totals	<u>16,400,000</u>	<u>7,060,000</u>	<u>0</u>	<u>0</u>	<u>23,460,000</u>
Excess of revenues collected and other financing sources over (under) expenditures	12,353,275	7,153,074	(4,024,353)	(7,980,862)	7,501,134
Cash fund balances, beginning of year	<u>0</u>	<u>0</u>	<u>4,907,753</u>	<u>11,379,988</u>	<u>16,287,741</u>
Cash fund balances, end of year	<u>\$ 12,353,275</u>	<u>7,153,074</u>	<u>883,400</u>	<u>3,399,126</u>	<u>23,788,875</u>

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

ASSETS

CASH	\$	3,835,556	6,120,385	6,252,616	3,703,334
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LIABILITIES

809	9	NIGHT SCHOOL/H.S. COMPLET CASH	\$ 6,609	11,498	2,207	15,899
836	9	SUMMER SCH INTERNET BASED PROG CASH	26,435	32,645	27,555	31,525
922	9	INTERNET BASED PROGRAM CASH	11,438	14,320	204	25,554
941	9	NIGHTSCHOOL COKE ACCOUNT CASH	642	4,119	3,116	1,645
975	9	VISTA STUDENT ID CASH ACCT.	2,885	3,481	0	6,366
997	9	NIGHT SCHOOL TEACHER COKE CASH	844	458	690	612
802	51	CLEARING CASH	45	83,500	83,545	0
803	51	ELEMENTARY MUSICAL FESTIV CASH	8,718	3,829	2,705	9,842
804	51	JIMMIE PIGG MEMORIAL FUND CASH	26	0	26	0
807	51	MISCELLANEOUS CASH	982	73,622	51,732	22,872
813	51	TEXTBOOKS CASH	0	11,538	11,338	200
814	51	ASC SECURITY CASH ACCT.	0	1,025	428	597
816	51	MAINTENANCE COKE ACCOUNT CASH	293	253	377	169
817	51	TRANSPORTATION COKE ACCT CASH	420	265	459	226
821	51	TIPS PROGRAM CASH	236	0	0	236
824	51	ATHLETICS CASH	194,930	613,354	578,164	230,119
825	51	ATHLETIC FUND RAISER CASH	293,545	265,047	233,075	325,517
826	51	LETTER "M" CASH	34,575	74,182	68,158	40,599
827	51	UNALLOCATED INTEREST CASH	5,785	19,577	25,362	0
829	51	SEARCH CASH	17,114	6,252	5,284	18,082
830	51	SCIENCE FAIR CASH	6,140	3,027	3,805	5,362
831	51	PROFESSIONAL DEVELOPMENT CASH	3	60	0	63
832	51	SUMMER RECREATION PROGRAM CASH	56,037	85,083	102,751	38,369
833	51	ELEMENTARY TRA CASH	5	0	0	5
834	51	KINDERGARTEN SUMMER ACADEMY CASH	279	0	0	279
835	51	ELEMENTARY GUIDANCE CASH	7,518	0	440	7,078
838	51	CITIZENSHIP CHALLENGE CASH	24	0	0	24
840	51	KEN HOGAN MEMORIAL FUND CASH	47	0	0	47
864	51	PLAZA TOWERS TORNADO FUND CASH ACCT.	88,748	2,000	0	90,748
865	51	BRIARWOOD TORNADO FUND CASH ACCT.	32,795	825	0	33,620
866	51	HIGHLANDEAST TORNADO FUND CASH ACCT.	21,054	0	0	21,054
871	51	TECHNOLOGY TORNADO FUND CASH ACCT.	55,641	0	42,267	13,374
875	51	ATHLETICS TORNADO FUND CASH ACCT.	11,776	0	0	11,776
876	51	SUMMER ALGEBRA CAMP CASH ACCT	243	1,120	975	388
877	51	MUSIC TORNADO FUND CASH ACCT	1,094	0	0	1,094
878	51	MEDIA TORNADO FUND CASH ACCT.	39,031	0	0	39,031
887	51	ELEMENTARY SUMMER SCHOOL CASH	7,800	8,500	7,600	8,700
890	51	SCIENCE ENRICHMENT CASH	2,986	0	180	2,806
892	51	SOUTHGATE TORNADO FUND	4,325	6,795	0	11,120
910	51	ASC NURSING SERVICES CASH	1,469	1,875	1,329	2,015
976	51	SECONDARY SUMMER SCHOOL CASH	50,286	52,064	66,296	36,054
977	51	SUMMER BAND CASH	3,540	3,050	6,549	41
978	51	SUMMER DRIVERS EDUCATION CASH	8,285	9,510	8,415	9,380
979	51	SUMMER SPEECH CASH	314	0	0	314
984	51	JR HIGH SUMMER SCHOOL CASH	7,655	7,726	9,863	5,518
998	51	FINE ARTS CASH	445	0	132	313
815	90	TECHNOLOGY COKE ACCT CASH	67	0	0	67
818	90	TECHNOLOGY TRAINING CENTER CASH	81	0	0	81
808	97	CHILD NUTRITION COKE ACCT CASH	410	0	111	299
839	103	CENTRAL ELEMENTARY CASH	30,122	46,457	47,458	29,120
843	103	CENTRAL ELEM. COKE ACCOUNT CASH	250	340	0	590
859	103	CENTRAL ELEM. BEFORE/ AFTER SCHOOL CASH	210	28,255	13,337	15,128
839	107	FAIRVIEW CASH	49,351	34,700	48,316	35,735
843	107	FAIRVIEW COKE ACCOUNT CASH	4,129	1,741	3,766	2,104
859	107	FAIRVIEW AFTER SCHOOL PROGRAM CASH	19,713	37,011	25,103	31,622
871	107	SECURITY SYSTEMS/REPAIRS	3,011	0	3,011	0
839	108	KELLEY CASH	22,717	24,453	21,763	25,407
843	108	KELLEY COKE ACCOUNT CASH	127	241	127	241
859	108	KELLEY DAY CARE CASH ACCT.	9,349	33,493	32,223	10,620
839	109	NORTHMOOR CASH	9,692	26,439	21,029	15,102
843	109	NORTHMOOR COKE ACCOUNT CASH	221	112	225	108

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

ASSETS

CASH	\$	3,835,556	6,120,385	6,252,616	3,703,334
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LIABILITIES

859	109	NORTHMOOR BEFORE/AFTER CARE CASH ACCT.	\$ 150	19,666	15,449	4,367
839	110	SOUTHGATE CASH	21,980	13,311	12,002	23,290
843	110	SOUTHGATE COKE ACCOUNT CASH	276	211	181	306
859	110	SOUTHGATE BEFORE/AFTER CARE CASH ACCT.	4,599	13,402	12,213	5,788
871	110	SECURITY SYSTEMS/TECH EQUIPMENT	1,093	0	1,093	0
892	110	MISC. REVENUE TRANSFERRED	7,300	0	7,300	0
839	112	PLAZA TOWERS CASH	8,520	46,092	38,289	16,324
843	112	PLAZA TOWERS COKE ACCOUNT CASH	33	0	0	33
859	112	PLAZA TOWERS BEFORE/AFTER SCHOOL CASH	11,816	43,118	27,791	27,143
864	112	INSTRUCTIONAL/RENTAL & LEASES	50,544	0	50,544	0
878	112	MEDIA SERVICES/FURNITURE & FIXTURES	140,054	0	140,054	0
839	113	SKY RANCH CASH	38,871	68,611	49,992	57,489
843	113	SKY RANCH COKE ACCOUNT CASH	1,015	289	194	1,110
859	113	SKY RANCH BEFORE/AFTER SCH PROG CASH	20,821	39,759	42,815	17,765
839	117	KINGSGATE CASH	8,669	43,295	36,736	15,228
843	117	KINGSGATE COKE ACCOUNT CASH	307	43	0	350
859	117	KINGSGATE BEFORE/AFTER CASH ACCT.	0	135	0	135
839	120	HOUCHIN CASH	10,273	35,407	33,941	11,740
843	120	HOUCHIN COKE ACCOUNT CASH	180	179	30	328
859	120	HOUCHIN BEFORE/AFTER SCHOOL PROGRAM CASH	10,684	17,046	22,778	4,952
839	125	WINDING CREEK CASH	33,546	74,047	62,438	45,155
843	125	WINDING CREEK COKE ACCOUNT CASH	812	154	602	364
859	125	WINDING CREEK BEFORE/AFTER SCH PROG CASH	5,224	26,178	29,983	1,418
839	130	SANTA FE CASH	27,248	21,698	26,910	22,036
843	130	SANTA FE COKE ACCOUNT CASH	1,477	0	608	868
859	130	SANTA FE BEFORE/AFTER CARE CASH ACCT.	324	20,933	15,048	6,209
839	135	APPLE CREEK CASH	56,782	61,171	85,139	32,814
843	135	APPLE CREEK COKE ACCOUNT CASH	41	91	107	24
859	135	APPLE CREEK CAMP COUGAR CASH ACCT	25,949	19,646	17,494	28,101
839	140	RED OAK CASH	110,808	70,757	111,362	70,203
843	140	RED OAK COKE ACCOUNT CASH	283	89	0	372
859	140	RED OAK BEFORE/AFTER SCHOOL PROGRAM CASH	6,805	69,928	51,757	24,976
839	145	BRIARWOOD CASH	11,663	83,003	78,273	16,393
843	145	BRIARWOOD COKE ACCOUNT CASH	45	16	57	5
859	145	BRIARWOOD BEFORE/AFTER SCHOOL PROG CASH	55,978	54,953	64,345	46,586
865	145	OTHER RECEIPTS/REUNDS	43,313	0	43,313	0
878	145	MEDIA SERVICES/TECHNOLOGY EQUIP	4,098	0	4,098	0
839	155	FISHER CASH	98,322	71,233	118,462	51,094
843	155	FISHER COKE ACCOUNT CASH	144	57	180	21
859	155	FISHER BEFORE/AFTER SCHOOL PROGRAM CASH	7,087	57,189	21,813	42,462
839	160	SOONER CASH	32,193	43,057	55,677	19,573
843	160	SOONER COKE ACCOUNT CASH	587	229	51	765
859	160	SOONER BEFORE/AFTER SCHOOL PROG CASH	66,657	52,054	60,675	58,036
839	165	EARLYWINE CASH	24,529	53,546	53,912	24,163
843	165	EARLYWINE COKE ACCOUNT CASH	309	0	21	288
859	165	EARLYWINE BEFORE/AFTER SCHOOL PROG CASH	23,668	45,346	49,090	19,925
839	170	BROADMOORE CASH	39,621	55,165	74,086	20,700
843	170	BROADMOORE COKE ACCOUNT CASH	98	116	39	175
859	170	BROADMOORE BEFORE/AFTER SCH PROG CASH	60,697	123,554	66,504	117,747
839	175	EASTLAKE CASH	22,742	69,466	67,872	24,336
843	175	EASTLAKE COKE ACCOUNT CASH	1,555	218	1,010	763
859	175	EASTLAKE BEFORE/AFTER CARE CASH ACCT.	435	31,351	27,453	4,333
839	180	BRYANT ELEMENTARY CASH	44,480	55,913	67,579	32,814
843	180	BRYANT ELEMENTARY COKE ACT CASH	533	231	274	490
859	180	BRYANT BEFORE/AFTER CARE PROGRAM CASH	49,827	49,157	33,457	65,527
839	181	WAYLAND BONDS ELEMENTARY	42,051	97,590	85,245	54,396
843	181	WAYLAND BONDS ELEM COKE ACCOUNT	921	371	293	998
859	181	WAYLAND BONDS AFTER SCHOOL PROG CASH	62,316	54,880	49,693	67,503
839	185	OAKRIDGE CASH	83,383	103,803	135,829	51,357
859	185	OAKRIDGE BEFORE/AFTER SCHOOL PROG CASH	49,070	112,761	104,482	57,349
839	190	HERITAGE TRAILS CASH	8,062	143,160	127,474	23,747
843	190	HERITAGE TRAILS COKE ACCOUNT CASH	249	0	139	110

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

ASSETS

CASH	\$	3,835,556	6,120,385	6,252,616	3,703,334
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LIABILITIES

859	190	HERITAGE TRAILS BEFORE/AFTER PROG CASH	\$ 4,287	116,960	89,420	31,826
839	195	SOUTHLAKE CASH ACCOUNT	23,733	161,277	115,347	69,662
843	195	SOUTHLAKE COKE CASH ACCOUNT	86	219	85	220
859	195	SOUTHLAKE DAYCARE CASH ACCOUNT	17,860	87,007	72,907	31,960
839	196	TIMBER CREEK ACTIVITY CASH ACCT.	34,550	85,914	105,620	14,845
859	196	TIMBER CREEK BEFORE/AFTERCARE CASH ACCT.	675	70,505	49,068	22,112
846	610	BRINK ACADEMIC CLUB CASH	779	1,354	1,485	647
853	610	BRINK BAND CASH	5,172	7,236	9,459	2,950
862	610	BRINK CHEERLEADERS CASH	1,719	8,141	9,860	0
863	610	BRINK CHORUS CASH	5,148	13,498	15,374	3,271
874	610	BRINK COMPUTER CLUB CASH	1,600	0	0	1,600
901	610	BRINK FRENCH CLUB CASH	5	0	0	5
907	610	BRINK GYM ACCOUNT CASH	283	0	173	110
925	610	BRINK LIBRARY FUND CASH	6,315	13,229	12,305	7,239
934	610	BRINK MULTICULTURAL CLUB CASH	710	50	193	567
937	610	BRINK NATL HONOR SOCIETY CASH	9,738	5,451	7,676	7,513
944	610	BRINK BOBCAT DESIGNS CASH	794	0	0	794
947	610	BRINK PEP CLUB CASH	1,444	0	0	1,444
955	610	BRINK SIGN LANGUAGE CLUB CASH	392	0	0	392
957	610	BRINK COKE ACCOUNT CASH	169	1,231	633	767
961	610	BRINK SCIENCE CLUB CASH	1,596	3,143	4,176	563
964	610	BRINK SPANISH CLUB CASH	627	0	0	627
967	610	BRINK SPEECH CLUB CASH	3,083	2,709	2,310	3,481
973	610	BRINK STUDENT COUNCIL CASH	10,649	18,481	17,073	12,057
974	610	BRINK STUDENT STORE CASH	69,848	82,171	81,560	70,460
982	610	BRINK TECHNOLOGY EDUC. CASH	0	0	0	0
991	610	BRINK CAMPUS BEAUTIFICATION	1,032	0	487	545
992	610	BRINK WRITING CLUB CASH	671	0	0	671
993	610	BRINK YEARBOOK CASH	21,384	12,187	11,844	21,727
846	650	H.E. ACADEMIC CLUB CASH	859	224	1,041	42
853	650	H.E. BAND CASH	4,009	9,958	4,508	9,459
862	650	H.E. CHEERLEADERS CASH	2,125	18,244	19,661	708
863	650	H.E. CHORUS CASH	324	5,606	5,558	373
866	650	INSTRUCTIONAL/ADAPTIVE EQUIPMENT	39,668	0	39,668	0
875	650	STUDENT RELATED/UNIFORMS	5,000	0	5,000	0
877	650	INSTRUCT STAFF TRAINING/STAFF TRAVEL	815	0	815	0
878	650	MEDIA SERVICES/AUDIO VIDEO EQUIPMENT	52,451	0	52,451	0
880	650	H.E. CHESS CLUB CASH	51	0	0	51
882	650	H.E. DRAMA CASH	341	0	0	341
900	650	H.E. FOREIGN LANGUAGE CASH	320	0	0	320
911	650	H.E. HOME ECONOMICS CASH	443	3,205	2,822	826
925	650	H.E. LIBRARY CASH	7,325	8,037	9,665	5,697
929	650	H.E. MATH CLUB CASH	51	0	0	51
937	650	H.E. NATL JR. HONOR SOCIETY CASH	1,492	2,157	3,445	203
939	650	H.E. NEWSPAPER CASH	399	0	0	399
957	650	H.E. COKE ACCOUNT CASH	502	1,300	1,278	524
961	650	H.E. SCIENCE CLUB CASH	6,153	1,112	614	6,651
965	650	H.E. SPECIAL EDUCATION CASH	257	0	25	232
973	650	H.E. STUDENT COUNCIL CASH	4,750	3,700	4,418	4,032
974	650	H.E. STUDENT STORE CASH	52,217	66,746	75,734	43,228
992	650	H.E. WRITING CLUB CASH	1,921	545	400	2,066
993	650	H.E. YEARBOOK CASH	13,792	6,903	4,168	16,527
845	655	H.W. AGENDA ACCOUNT CASH	199	0	0	199
847	655	H.W. ACADEMIC TEAM CASH	351	0	22	329
851	655	H.W. ART CLUB CASH	909	444	762	591
853	655	H.W. BAND CASH	5,670	9,803	11,898	3,575
863	655	H.W. CHORUS CASH	2,325	8,055	7,707	2,674
877	655	INSTRUCT STAFF TRAINING/STAFF TRAVEL	815	0	815	0
889	655	H.W. FACULTY ACCOUNT CASH	134	2,239	445	1,928
905	655	H.W. GEOGRAPHY CLUB CASH	73	0	0	73
911	655	H.W. HOME ECONOMICS CASH	1,700	0	0	1,700
923	655	H.W. PRIDE CASH	116	0	0	116

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

		ASSETS					
CASH		\$	3,835,556	6,120,385	6,252,616	3,703,334	
		LIABILITIES					
925	655	H.W. LIBRARY CASH	\$	802	2,157	2,152	807
937	655	H.W. NATL HONOR SOCIETY CASH		2,166	4,664	5,383	1,447
939	655	H.W. NEWSPAPER CASH		252	0	0	252
947	655	H.W. PEP CLUB CASH		8,628	10,192	14,978	3,842
948	655	H.W. PEP CLUB/SPIRIT CLUB CASH		8	0	0	8
961	655	H.W. SCIENCE CLUB CASH		824	3,292	3,000	1,117
965	655	H.W. SPECIAL EDUCATION CASH		5,063	10,068	10,431	4,700
973	655	H.W. STUDENT COUNCIL CASH		5,195	2,369	1,951	5,613
974	655	H.W. STUDENT STORE CASH		33,653	42,848	48,928	27,573
993	655	H.W. YEARBOOK CASH		4,805	4,309	3,584	5,530
847	680	W.J.H. ACADEMIC TEAM CASH		283	0	0	283
851	680	W.J.H. ART CLUB CASH		3,761	1,095	658	4,198
853	680	W.J.H. BAND CASH		7,418	6,824	6,720	7,522
862	680	W.J.H. CHEERLEADERS CASH		8,935	20,196	26,255	2,876
877	680	INSTRUCT STAFF TRAINING/STAFF TRAVEL		815	0	815	0
880	680	WJH CHESS CLUB CASH ACCT.		126	0	126	0
889	680	W.J.H. FACULTY FUND CASH		157	1,580	1,120	618
907	680	W.J.H. GYM ACCOUNT CASH		303	3,661	1,531	2,433
911	680	W.J.H. HOME ECONOMICS CASH		116	1,180	1,113	183
925	680	W.J.H. LIBRARY CASH		1,203	3,161	2,645	1,719
937	680	W.J.H. NATIONAL HONOR SOC CASH		1,342	1,533	2,007	868
939	680	W.J.H. NEWSPAPER CASH		586	0	0	586
947	680	W.J.H. PEP CLUB CASH		1,796	0	1,500	296
951	680	W.J.H. ROBOTICS CLUB CASH		3,820	1,241	1,964	3,097
965	680	W.J.H. SPECIAL EDUCATION CASH		2,382	4,247	4,753	1,876
973	680	W.J.H STUDENT COUNCIL CASH		4,372	9,374	11,203	2,543
974	680	W.J.H. STUDENT STORE CASH		13,551	66,497	56,443	23,605
982	680	W.J.H. TECHNOLOGY STUDENT CASH		333	0	0	333
987	680	W.J.H. VOCAL CASH		911	1,881	1,312	1,480
993	680	W.J.H. YEARBOOK CASH		5,300	7,423	1,841	10,882
994	680	W.J.H. STOMP CLUB CASH ACCOUNT		31	0	31	0
847	685	C.J.H. ACADEMIC TEAM CASH		24	366	26	364
851	685	C.J.H. ART CLUB CASH		274	0	0	274
853	685	C.J.H. BAND CASH		679	7,613	7,559	733
862	685	C.J.H. CHEERLEADERS CASH		743	9,175	6,132	3,786
863	685	C.J.H. CHORUS CASH		2,972	22,528	25,488	13
903	685	C.J.H. EARTH SAVERS CLUB CASH		1,828	0	0	1,828
925	685	C.J.H. LIBRARY CASH		222	6,220	4,959	1,482
937	685	C.J.H. NATL JR. HONOR SOC CASH		704	1,939	1,458	1,184
939	685	C.J.H. NEWSPAPER CASH		861	0	0	861
948	685	C.J.H. PEP CLUB/SPIRIT CASH		242	182	203	221
957	685	C.J.H. COKE ACCOUNT CASH		664	2,444	1,857	1,251
961	685	C.J.H. SCIENCE CLUB CASH		161	0	0	161
964	685	C.J.H. SPANISH CLUB CASH ACCT		41	0	0	41
970	685	C.J.H. SPECIAL OLYMPICS CASH		272	0	0	272
973	685	C.J.H. STUDENT COUNCIL CASH		2,105	9,406	9,441	2,070
974	685	C.J.H. STUDENT STORE CASH		73,762	46,213	44,160	75,815
992	685	C.J.H. WRITING CLUB		1	0	0	1
993	685	C.J.H. YEARBOOK CASH		12,884	6,308	5,645	13,546
995	685	C.J.H. YOUTH & GOVERNMENT CASH		1	853	851	2
853	690	BAND CASH ACCT.		0	3,675	2,756	919
862	690	CHEERLEADERS CASH ACCT		0	7,996	6,472	1,524
863	690	CHORUS CASH ACCT.		0	597	240	357
877	690	INSTRUCT STAFF TRAINING/STAFF TRAVEL		815	0	815	0
925	690	LIBRARY CASH ACCT.		0	3,035	2,814	221
965	690	SPECIAL EDUCATION CASH ACCT.		30	3,476	2,472	1,033
973	690	STUDENT COUNCIL CASH ACCT.		0	1,650	974	676
974	690	STUDENT STORE CASH ACCT.		(30)	29,397	21,854	7,513
993	690	YEARBOOK CASH ACCT.		0	1,237	0	1,237
842	705	CLASS OF 2015 CASH ACCT.		2,486	500	2,986	0
844	705	M.H.S ASTRONOMY CLUB CASH		240	0	0	240
847	705	M.H.S. ACADEMIC TEAM CASH		22	0	0	22

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

ASSETS

CASH	\$	3,835,556	6,120,385	6,252,616	3,703,334
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LIABILITIES

848	705	CLASS OF 2016 CASH ACCT.	\$ 5,392	16,900	16,682	5,610
849	705	M.H.S. APOLLYRAS CASH	1,058	10,727	10,982	803
850	705	CLASS OF 2017 CASH ACCT.	2,499	26,878	23,195	6,183
851	705	M.H.S. ART CLUB CASH	806	2,793	2,128	1,470
853	705	M.H.S. BAND CASH	728	4,524	3,568	1,684
857	705	CLASS OF 2018 CASH ACCT.	1,429	1,210	786	1,853
861	705	CLASS OF 2019 CASH ACCT.	0	1,720	885	835
862	705	M.H.S. CHEERLEADERS CASH	20,013	33,713	36,043	17,683
872	705	M.H.S. CLOSE-UP CASH	31	665	570	126
873	705	M.H.S. FUSE CASH	1,759	3,617	3,153	2,223
879	705	M.H.S. DECA CASH	635	1,252	1,253	634
882	705	M.H.S. DRAMA CASH	4,783	25,868	27,321	3,330
884	705	M.H.S. ENVIRONMENTAL SCIEN CASH	141	2,500	2,451	190
889	705	M.H.S. FACULTY FUND CASH	68	0	65	3
895	705	M.H.S. FBLA CASH	496	100	121	475
896	705	M.H.S. FFA CASH	2,293	61,059	61,510	1,842
897	705	M.H.S. FCCLA CASH	72	8,762	8,337	497
898	705	M.H.S. FJA CASH	488	0	0	488
900	705	M.H.S. FOREIGN LANGUAGE CASH	101	0	53	48
901	705	M.H.S. FRENCH CLUB CASH	523	541	710	354
912	705	M.H.S. HORTICULTURE CLUB CASH	5,803	14,328	18,318	1,813
921	705	M.H.S. KEY CLUB CASH	3,174	2,145	2,400	2,919
924	705	M.H.S. LATIN CLUB CASH	203	1,222	1,195	230
925	705	M.H.S. LIBRARY CASH	295	269	15	550
928	705	LEADERSHIP CASH ACCT.	8,607	8,535	9,268	7,874
936	705	M.H.S. MOCK TRIAL CASH	1,150	4,777	5,719	207
937	705	M.H.S. NATL HONOR SOCIETY CASH	2,054	3,927	3,136	2,845
943	705	M.H.S. ZOOLOGY CLUB CASH	912	0	0	912
949	705	M.H.S. POM PON SQUAD CASH	1,090	9,897	10,692	295
952	705	M.H.S. PSAT/ACT CASH	80	3,780	3,750	110
959	705	M.H.S. SCHOLASTIC CASH	9,369	17,744	15,930	11,183
961	705	M.H.S. SCIENCE CLUB CASH	576	0	0	576
964	705	M.H.S. SPANISH CLUB CASH	189	640	338	491
965	705	M.H.S. SPECIAL EDUCATION CASH	2,008	3,081	2,331	2,758
966	705	M.H.S. SPECIAL PROJECTS CASH	1,265	10,000	5,987	5,278
967	705	M.H.S. SPEECH CASH	4,520	4,775	7,582	1,714
973	705	M.H.S. STUDENT COUNCIL CASH	4,620	10,153	12,132	2,641
974	705	M.H.S. STUDENT STORE CASH	22,568	73,045	84,139	11,474
975	705	ENTERPRISE OPER/FUNDRAISER	2,618	0	2,618	0
980	705	M.H.S. 3-D ART CASH	1,888	4,234	3,204	2,918
983	705	M.H.S. TEACHER'S COURTESY CASH	702	4,835	4,629	908
993	705	M.H.S. YEARBOOK CASH	25,008	41,934	39,198	27,745
995	705	M.H.S. YOUTH AND GOVERNMENT CASH	529	2,623	2,993	160
842	710	W.H.S. CLASS OF 2015 CASH	1,923	0	(122)	2,045
847	710	W.H.S. ACADEMIC TEAM CASH	1,572	0	250	1,322
848	710	CLASS OF 2016 CASH ACCT.	9,449	16,528	22,403	3,574
850	710	CLASS OF 2017 CASH ACCT.	1,759	25,065	23,351	3,473
851	710	W.H.S. ART CLUB CASH	2,500	6,257	5,844	2,914
852	710	W.H.S. ASIAN AMERICAN CLUB CASH	1,609	4,178	3,125	2,661
853	710	W.H.S. BAND CASH	653	3,454	3,210	897
855	710	W.H.S. BUSINESS DEPARTMENT CASH	119	0	0	119
857	710	CLASS OF 2018 CASH ACCT.	804	2,321	1,257	1,867
858	710	W.H.S. BOOK CLUB CASH	61	0	0	61
861	710	CLASS OF 2019 CASH ACCT.	0	6,693	4,439	2,254
862	710	W.H.S. CHEERLEADERS CASH	11,493	18,844	24,965	5,372
863	710	W.H.S. CHORUS CASH	30	0	0	30
868	710	W.H.S. POM PON JV CASH	796	0	500	296
869	710	W.H.S. CHEER JV CASH	335	0	0	335
877	710	INSTRUCTIONAL/AUDIO VIDEO EQUIPMENT	1,250	0	1,250	0
879	710	W.H.S. DECA CASH	1,682	0	1,682	0
882	710	W.H.S. DRAMA CASH	1,414	0	573	842
883	710	W.H.S. ENGLISH DEPARTMENT CASH	281	2,250	948	1,583

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

ASSETS

CASH	\$	3,835,556	6,120,385	6,252,616	3,703,334
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LIABILITIES

885	710	W.H.S. EBONY SOCIETY CASH	\$ 307	192	381	119
895	710	W.H.S. FBLA CASH	149	150	0	299
897	710	W.H.S. FCCLA CASH	693	1,400	2,020	73
899	710	W.H.S. FORENSICS CASH	5,405	12,966	9,207	9,164
902	710	MISC. REVENUE TRANSFERRED	(70)	392	322	0
902	710	FRENCH NATIONAL HONOR SOCIETY	158	0	0	158
904	710	W.H.S. GRAPHIC DESIGN CASH	23	0	0	23
909	710	W.H.S. HANDS CLUB CASH	367	565	575	357
914	710	W.H.S. JCL CASH	578	0	350	228
915	710	HISPANIC AMERICAN CLUB CASH ACCT.	1	3,559	2,522	1,038
918	710	W.H.S. APPLIED ECONOMICS CASH	98	0	0	98
920	710	W.H.S. KELLIE MCWILLIAMS MEMORIAL CASH	976	25	0	1,001
921	710	W.H.S. KEY CLUB CASH	219	6,952	6,455	716
927	710	W.H.S. LINK CREW CASH	341	11,355	7,013	4,683
929	710	W.H.S. MATH CLUB CASH	59	100	0	159
931	710	W.H.S. MEDIA CASH	1,736	4,477	4,667	1,546
933	710	W.H.S. MUSICAL PRODUCTIONS CASH	12,689	14,602	12,207	15,085
934	710	W.H.S. MULTICULTURAL CLUB CASH	3,321	3,911	3,203	4,030
937	710	W.H.S. NATIONAL HONOR SOCIETY CASH	13,583	21,863	17,955	17,491
938	710	W.H.S. NHS STATE CONV. CASH	75	0	0	75
939	710	W.H.S. NEWSPAPER CASH	6,096	0	600	5,496
942	710	W.H.S. OKLAHOMA CLOSE-UP CASH	1,877	0	0	1,877
945	710	W.H.S. SERVICE CLUB CASH	1,187	0	0	1,187
946	710	PING PONG CLUB CASH ACCT.	198	145	0	343
949	710	W.H.S. POM POM SQUAD CASH	3,600	2,301	4,984	916
952	710	W.H.S. PSAT/ACT CASH	418	1,240	20	1,638
954	710	W.H.S. SPECIAL ED - MR/MH CASH	1,115	210	627	698
958	710	W.H.S. SADD CASH	257	0	257	0
960	710	W.H.S. STAFF ACCOUNT CASH	144	3,103	2,864	382
961	710	W.H.S. SCIENCE CLUB CASH	2,036	0	0	2,036
962	710	W.H.S. SHOW CHOIR CASH	576	15,641	15,757	459
963	710	W.H.S. SOCIAL STUDIES DEPT CASH	107	0	0	107
964	710	SPANISH CLUB CASH ACCT.	679	904	1,043	540
966	710	W.H.S. SPECIAL PROJECTS CASH	8,013	0	0	8,013
969	710	W.H.S. SPORTS MEDICINE CASH	2	2,500	2,488	14
970	710	W.H.S. SPECIAL OLYMPICS CASH	3,984	20,665	14,395	10,254
972	710	W.H.S. STAND CLUB CASH	2,092	525	706	1,912
973	710	W.H.S. STUDENT COUNCIL CASH	2,687	24,610	19,917	7,380
974	710	W.H.S. STUDENT STORE CASH	36,819	114,123	88,871	62,071
980	710	W.H.S. VISUAL ART CASH	2,646	3,825	4,906	1,564
985	710	W.H.S. STUDENT PLANNERS CASH	495	14,448	14,449	494
993	710	W.H.S. YEARBOOK CASH	44,273	58,535	38,029	64,779
995	710	W.H.S. YOUTH AND GOVERNMENT CASH	531	1,407	1,798	140
996	710	W.H.S. WE ARE WESTMOORE TV NEWS CASH	1,259	0	1,259	0
842	715	SOUTHMOORE CLASS OF 2015 CASH	1,676	0	1,676	0
847	715	SOUTHMOORE ACADEMIC TEAM CASH	306	3,474	2,574	1,207
848	715	CLASS OF 2016 CASH ACCT.	7,621	15,810	16,290	7,141
850	715	CLASS OF 2017 CASH ACCT.	701	23,346	19,230	4,817
851	715	SOUTHMOORE ART CLUB/3D CASH	4,400	3,615	6,859	1,156
853	715	SOUTHMOORE BAND CASH	1,347	1,064	0	2,412
857	715	CLASS OF 2018 CASH ACCT.	1,565	2,290	1,168	2,687
860	715	BLACK STUDENT ASSOCIATION CASH ACCT.	9	0	0	9
861	715	CLASS OF 2019 CASH ACCOUNT	0	2,230	678	1,552
862	715	SOUTHMOORE CHEERLEADERS CASH	1,446	13,340	11,192	3,594
863	715	SOUTHMOORE CHORUS CASH	40	0	0	40
868	715	SOUTHMOORE POM PON JV	378	0	0	378
869	715	SOUTHMOORE CHEER JV	240	0	200	40
879	715	SOUTHMOORE DECA CASH	2,401	24,975	13,837	13,539
882	715	SOUTHMOORE DRAMA CASH	3,153	36,325	31,474	8,004
895	715	SOUTHMOORE BUSINESS PRO. OF AMERICA CASH	0	852	555	297
897	715	SOUTHMOORE FCCLA CASH	5,713	16,522	14,052	8,184
901	715	FRENCH CLUB CASH ACCT.	101	565	238	429

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

ASSETS

CASH	\$	3,835,556	6,120,385	6,252,616	3,703,334
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LIABILITIES

913	715	SOUTHMOORE INTERACT CASH	\$ 102	35	42	95
914	715	SOUTHMOORE JCL/JR. CLASSICAL LEAGUE CASH	250	555	679	127
926	715	SOUTHMOORE MODEL UN CASH	584	255	137	702
927	715	SOUTHMOORE LINK CREW CASH	2,534	1,636	1,668	2,502
931	715	SOUTHMOORE MEDIA CASH	2,173	1,007	961	2,219
934	715	SOUTHMOORE MULTICULTURAL CLUB CASH	926	1,452	1,211	1,167
937	715	SOUTHMOORE NATIONAL HONOR SOCIETY CASH	5,038	9,744	7,727	7,055
940	715	NATIVE AMERICAN STUDENT ASSOC. CASH ACCT	2	2,988	2,066	924
949	715	SOUTHMOORE POM PON SQUAD CASH	2,805	19,408	18,852	3,360
952	715	SOUTHMOORE PSAT/ACT CASH	4,969	26,495	25,287	6,177
954	715	SOUTHMOORE SPECIAL ED. MR/MH CASH	4,293	2,242	2,147	4,388
960	715	SOUTHMOORE STAFF ACCOUNT CASH	282	1,579	1,470	391
961	715	SOUTHMOORE SCIENCE CLUB CASH ACCT	2,164	7,085	5,957	3,292
965	715	SOUTHMOORE SPECIAL EDUCATION CASH A	4,622	925	3,710	1,838
966	715	SPECIAL PROJECTS CASH ACCT.	11,995	586	0	12,580
967	715	SOUTHMOORE SPEECH CASH	6,227	12,959	13,727	5,458
970	715	SOUTHMOORE SPECIAL ATHLETES	11,166	3,177	3,685	10,658
973	715	SOUTHMOORE STUDENT COUNCIL CASH	1,266	5,990	4,891	2,365
974	715	SOUTHMOORE STUDENT STORE CASH	25,337	64,913	70,012	20,238
980	715	SOUTHMOORE VISUAL ART/2-D CASH	620	6,278	5,591	1,307
985	715	SOUTHMOORE STUDENT PLANNERS CASH	4,300	9,758	5,782	8,276
992	715	SOUTHMOORE WRITING CLUB CASH	69	0	0	69
993	715	SOUTHMOORE YEARBOOK CASH	113,714	26,822	78,602	61,934
994	715	STOMP TEAM/HIP HOP	12	0	0	12
995	715	SOUTHMOORE YOUTH AND GOVERNMENT CASH	471	1,876	2,159	187
TOTALS			\$ 3,835,565	6,120,385	6,252,616	3,703,334

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor / Pass Through	Federal CFDA Number	Federal Grantor's/ Pass-through No.	Program or Award Amount	Beginning Balance 7/1/15	Revenue Collected	Total Expenditures	Ending Balance 6/30/16
<u>U.S. Department of Education</u>							
<u>Direct Programs:</u>							
Title VII Indian Education	84.060A	S060A150041	\$ 543,753		543,753	543,753	
P.L. 874 Impact Aid	84.041		193,704		131,310	193,704	
P.L. 874 Impact Aid Special Education	84.041		71,889		48,030	56,412	
Sub Total			809,346	0	723,093	793,869	0
<u>Passed Through State Department of Education:</u>							
*Title I	84.010	S010A150036	2,645,200		1,918,402	2,318,205	399,803
Title I Note	84.010			475,896	475,896		
Title I Neglected	84.010	S010A150036	39,315		32,886	34,097	1,211
Title I Neglected - Note	84.010			9,459	9,459		
<u>Special Education Programs:</u>							
IDEA-B Flowthrough	84.027	H027A150051	4,627,019		3,756,908	4,299,333	542,425
IDEA-B Flowthrough Note	84.027			586,199	586,199		
IDEA-B Early Intervening	84.027	H027A150051	1,071		250	250	
IDEA-B Private	84.027	H027A150051	2,142		882	882	
IDEA-B Preschool	84.173	H173A150084	108,539		72,642	93,154	20,512
IDEA-B Preschool - Note	84.173			12,801	12,801		
Title II Part A	84.367	S367A150035	488,230		363,294	422,843	59,549
Title II Part A - Note	84.367			60,651	60,651		
Title III Emergency Immigration	84.365A	S365A150036	48,398		17,481	17,481	
Title III Emergency Immigration	84.365A				3,533		
Title III Part A Limited English Proficiency	84.365	S365A150036	59,152		24,191	32,284	8,093
Title III Part A Limited English Proficiency- Note	84.365			8,526	8,526		
Sub Total			8,019,066	1,153,532	7,344,001	7,218,529	1,031,593
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins	84.048		142,772		107,572	142,643	35,071
Carl Perkins - Note	84.048			30,389	30,389		
Carl Perkins - Supplement	84.048		14,992		14,931	14,931	
High Schools That Work	84.048		24,000		0	23,758	23,758
High Schools That Work - Note	84.048			21,987	21,987		
Sub Total			181,764	52,376	174,879	181,332	58,829
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education</u>							
<u>Child Nutrition Programs:</u>							
*School Breakfast Program	10.553	60K300329			1,021,415	173,501	
*School Breakfast Program C/O	10.553					546,405	
*National School Lunch Program	10.555	60K300329			3,892,822	2,090,003	
*National School Lunch Program C/O	10.555					2,276,486	
Summer Food Program	10.559	60K300329			81,554	50,286	
Professional Tech Assistance	10.547				100	100	
Sub Total					4,995,891	5,136,781	0
<u>Passed Through Department of Human Service</u>							
Commodities - Note 1	10.555				513,195	513,195	
<u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130		105,522	(19,416)	0	79,815	50,136
Rehabilitation	84.126		30,000		14,598	18,957	4,359
Rehabilitation - Note	84.126			4,792	4,792		
FEMA - Note	97.036				2,380,091		
Sub Total			135,522	(14,624)	2,399,481	98,772	54,495
Total Federal Assistance			\$ 9,145,698	1,191,284	16,150,540	13,942,478	1,144,917

Note - These amounts represent reimbursements for prior year expenditures which were not received until the current fiscal year.

Note 1 - Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal activity of the District for the year ended June 30, 2016. This information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended and does not present the financial position, changes in net assets, or cash flows of the District.

Note 2 - Summary of Significant Accounting Policies - Expenditures reported on this schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements except as noted in Note 3. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 3 - Non-Monetary Assistance - Commodities received by the District in the amount of \$513,195 were of a non-monetary nature and therefore the total revenue does not agree with the financial statements

* Major Programs

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
STATEMENT OF STATUTORY, FIDELITY AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2016

BONDING COMPANY	POSITION COVERED	BOND NUMBER	COVERAGE AMOUNT	EFFECTIVE DATES
RLI Insurance Co.	Superintendent	LSM0600531	\$ 100,000	7-1-15 to 7-1-16
Universal Insurance Co.	Treasurer	LSF601083374	250,000	10-6-15 to 10-6-16
	Deputy Treasurer	3686578	250,000	9-16-15 to 9-16-16
The Ohio Casualty Co.	Deputy Treasurer	5093033	250,000	12-10-15 to 12-10-16
America First Insurance Co.	Board Clerk	2820964	10,000	7-1-15 to 7-1-16
	Child Nutrition	2820964	10,000	7-1-15 to 7-1-16
	Activity Fund	2820964	10,000	7-1-15 to 7-1-16
	Encumbrance clerk	2820964	10,000	7-1-15 to 7-1-16
	Minutes clerk	2820964	10,000	7-1-15 to 7-1-16

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE
AFFIDAVIT
JULY 1, 2015 TO JUNE 30, 2016

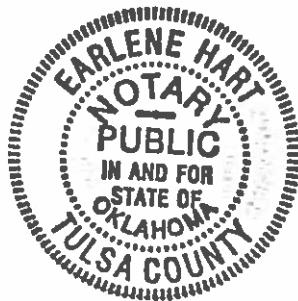
State of Oklahoma)
) ss
County of Tulsa)

The undersigned auditing firm of lawful ages, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Moore Public Schools for the audit year 2015-16.

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

By Jeffrey D. Harts
Authorized Agent

Subscribed and sworn to before me
This 20th day of December, 2016



Earlene Hart
Notary Public (or Clerk or Judge)

My Commission Expires: 5/19/2020
Commission No. 00008621



SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP

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

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

December 20, 2016

Dr. Robert Romines, Supt.
Moore Public Schools
1500 SE 4th
Moore, Oklahoma 73160

Dear Dr. Romines:

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

No Significant Audit Exceptions

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

Sincerely,

Jeff Hewett

For

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP