

**ANNUAL FINANCIAL REPORT OF THE
INDEPENDENT SCHOOL DISTRICT
CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT No. 6**

CANADIAN COUNTY, OKLAHOMA

JUNE 30, 2015

**ANNUAL FINANCIAL REPORT
CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
CANADIAN COUNTY, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL SECTION:	
INDEPENDENT AUDITOR'S REPORT	1
REQUIRED SUPPLEMENTARY INFORMATION:	
Management's Discussion and Analysis (unaudited)	
BASIC FINANCIAL STATEMENTS:	
<u>Statement</u>	
<u>Government-wide Financial Statements:</u>	
1 Statement of Net Position	14
2 Statement of Activities	15
<u>Fund Financial Statements:</u>	
3 Balance Sheet – Governmental Funds	17
4 Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	18
5 Statement of Net Assets – Proprietary Fund	20
6 Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Fund	21
7 Statement of Cash Flows – Proprietary Fund	22
8 Statement of Fiduciary Net Position	23
9 Statement of Changes in Fiduciary Net Position	24
Notes to Basic Financial Statements	25
REQUIRED SUPPLEMENTARY INFORMATION:	
<u>Exhibit</u>	
1 Pension Plan Funding Progress (unaudited)	48
2 Budgetary Comparison Schedule Statutory Basis – General Fund (unaudited)	49
3 Budgetary Comparison Schedule Statutory Basis – Building Fund (unaudited)	50
4. Budgetary Comparison Schedule Statutory Basis – Insurance Fund (unaudited)	51
5. Budgetary Comparison Schedule Statutory Basis – Bond Fund (unaudited)	52
6. Budgetary Comparison Schedule Statutory Basis – Sinking Fund (unaudited)	53

ANNUAL FINANCIAL REPORT
 CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
 CANADIAN COUNTY, OKLAHOMA
 YEAR ENDED JUNE 30, 2015

OTHER SUPPLEMENTARY INFORMATION:

Schedule

Fund Financial Statements – Statutory Basis

1	Combined Statement of Assets, Liabilities and Fund Balance - All Fund Types and Account Groups - Statutory Basis	55
2	Combined Statement of Revenues Collected, Expenditures, and Changes in Fund Balances - All Governmental Fund Types - Statutory Basis	56
3	Combined Statement of Revenues Collected, Expenditures and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds - Statutory Basis	57
4	Combined Statement of Revenues Collected, Expenditures and Changes in Fund Balances - Budget and Actual – Capital Project and Debt Service Funds – Statutory Basis	58
5	Statement of Assets, Liabilities, and Fund Balances – Fiduciary Funds – Statutory Basis	59
6	Statement of Changes in Assets and Liabilities – Fiduciary Funds – Statutory Basis	60

	<u>Notes to Other Supplementary Information Schedules 1 through 6</u>	61
--	---	----

Supporting Schedules and Reports Required by Government Auditing Standards

	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"	63
--	--	----

Supporting Schedules and Reports Required by OMB Circular A-133

	Independent Auditor’s Report on Compliance for Each Major Program and Internal Control over Compliance Required by OMB Circular A-133	65
	Schedule of Expenditures of Federal Awards	67

Supporting Schedules Required by the State Department of Education or State Department of Career and Technology Education

	Schedule of Findings and Questioned Costs	68
	Schedule of Federal Grants/Contracts Funding	69
	Schedule of Expenditures for Each Student Financial Assistance Program	70
	SFA Modified Statement of Cash Receipts and Disbursements	71
	Schedule of Accountant's Professional Liability Insurance Affidavit	72

Steven F. Cundiff

Certified Public Accountant, Inc.

205 West Seventh, Suite 201-A, P.O. Box 187
Stillwater, Oklahoma 74076
(405) 372-4822 FAX (405) 372-4828

Independent Auditor's Report

The Honorable Board of Education
Canadian Valley Technology Center
School District No. 6
El Reno, Canadian County, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Canadian Valley Technology Center School District No. 6, Canadian County, Oklahoma as of and for the year ended June 30, 2015, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Canadian Valley Technology Center School District No. 6, Canadian County, Oklahoma as of June 30, 2015, and the respective change in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan funding progress, and budgetary comparison information on pages 3-12, and 44-46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

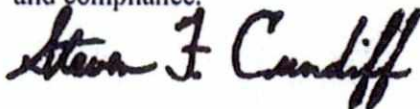
Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Canadian Valley Technology Center School District No.6, Canadian County, Oklahoma's basic financial statements. The fund financial statements-statutory basis and schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying schedule of expenditures of federal awards is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The fund financial statements-statutory basis and schedules 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 fund financial statements-statutory basis and schedules 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 8, 2015 on our consideration of the Canadian Valley Technology Center School District No. 6, Canadian County, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Canadian Valley Technology Center School District No. 6, Canadian County, Oklahoma's internal control over financial reporting and compliance.



Steven F. Cundiff, CPA, Inc.
January 12, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Canadian Valley Technology Center, School District #6's, performance provides an overview of the School District's financial activities for the year ended June 30, 2015. Please read it in conjunction with the School District's financial statements, which begin on Page 13.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on Pages 14-15) provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Fund financial statements start on Page 16. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the School District's operations in more detail than the government-wide statements by providing information about the School District's most significant funds. The remaining statements provide financial information about activities for which the School District acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the School District as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the School District as a whole begins on Page 5. One of the most important questions asked about the School District's finances is, "Is the School District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the School District as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School District's net position and changes in them. You can think of the School District's net position – the difference between assets and liabilities – as one way to measure the School District's financial health, or financial position. Over time, increases or decreases in the School District's net position are an indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the School District into two kinds of activities:

- Governmental activities – Most of the School District's basic services are reported here, including the educational activities for daytime high school and adults, short term training for adults, services and training for business and industry, and general administration.
- Business-type activities – The School District charges a fee to customers to help defray expenses involved in providing these services. The Food Service, Childcare, and Bookstore activities are reported here.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Our analysis of the School District's major funds begins on Page 7. The fund financial statements begin on Page 13 and provide detailed information about the most significant funds – not the School District as a whole. Some funds are required to be established by State law and by bond covenants. The School District's two kinds of funds – governmental and proprietary – use different accounting approaches.

- Governmental funds – Most of the School District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.
- Proprietary funds – When the School District charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the School District's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

The unrestricted portion is showing a decrease in position due to the implementation of GASB Statement 68, Accounting and Financial reporting for Pensions (GASB 68). GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability. The District's share of the Teacher Retirement System's net pension liability as of June 30, 2015 was \$16,198,242.

The School District as Trustee

Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for the Activity Funds. All of the School District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on Page 23. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE SCHOOL DISTRICT AS A WHOLE

For the year ended June 30, 2015, net assets changed as follows:

Assets	Government Activities		Business Activities		Totals	
	2014	2015	2014	2015	2014	2015
Current Assets						
Cash and Investments	51,921,309	62,579,637	-	-	51,921,309	62,579,637
Receivables	568,588	673,873	32,575	31,568	601,163	705,441
Inventories	40,000	40,000	130,009	96,245	170,009	136,245
Total Current Assets	52,529,897	63,293,510	162,584	127,814	52,692,481	63,421,323
Non-current Assets						
Capital Assets						
Land	977,987	986,987	-	-	977,987	986,987
Construction in Progress	15,953,364	15,953,364	-	-	15,953,364	15,953,364
Building and Infrastructure	27,666,078	30,789,681	1,482,537	1,482,537	29,148,615	32,272,218
Furniture and Equipment	5,335,801	6,276,110	33,832	33,832	5,369,633	6,309,942
Less Depreciation	-9,001,105	-10,250,145	-884,152	-947,968	-9,885,257	-11,198,113
Total Non-current Assets	40,932,125	43,755,997	632,217	568,401	41,564,343	44,324,398
Total Assets	93,462,023	107,049,507	794,801	696,214	94,256,824	107,745,722
Liabilities						
Current Liabilities						
Payables	1,507,431	7,018,853	7,783	6,450	1,515,214	7,025,304
Other Payables	-	-	-	14,115	-	14,115
Current Accrued compensation absences	265,281	291,602	-	-	265,281	291,602
Lease and Bonds Payable	1,678,666	3,151,470	-	-	1,678,666	3,151,470
Total current liabilities	3,451,378	10,461,926	7,783	20,565	3,459,161	10,482,491
Non-current Liabilities						
Accrued compensation absences	54,079	53,076	-	-	54,079	53,076
Building Bonds Payable	12,000,000	12,000,000	-	-	12,000,000	12,000,000
Lease purchase payable	11,601,159	13,666,747	-	-	11,601,159	13,666,747
Net pension liability	-	16,198,242	-	-	-	16,198,242
Total Non-current Liabilities	23,655,238	41,918,066	-	-	23,655,238	41,918,066
Total Liabilities	27,106,616	52,379,992	7,783	20,565	27,114,399	52,400,557
Net Assets						
Invested in capital assets, net of related debt	40,932,125	43,755,998	632,218	568,401	41,564,343	44,324,399
Unrestricted	25,423,282	8,122,422	154,800	107,248	25,578,082	8,229,670
Total Net Assets	66,355,407	51,878,420	787,018	675,650	67,142,425	52,554,069

Net position of the School District's governmental activities decreased by 21.82 percent, \$51,878,420 compared to \$66,355,407; and the District's business-type activities decreased by 14.15 percent, \$675,650 compared to \$787,018. The decrease in Total Net Assets is due to the bulk of insurance and FEMA money being collected in FY14.

Governmental Activities

To aid in the understanding of the Statement of Activities, some additional explanation is provided. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the School District's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

District Sources of Revenue:

Ad valorem property tax:	Taxes for current year and prior years, revenue in lieu of taxes
Tuition and Fees	Tuition and fees for Full-time adult classes, Short-term adult classes, Safety Training, ROPES, FBM, Industry Specific, Assessment, alternative education, BDP, and Health Certification
Investment Income	Interest earning of investments and taxes
Miscellaneous	
Rentals, Disposals, and Commissions:	Rental of school facilities and property, sale of surplus equipment, bookstore revenue
Reimbursements:	Reimbursement for insurance loss recoveries, damages to school property, rebates, fiscal agent expenses
Other Local Sources of Revenue	Mineral royalties and lease revenue
Intergovernmental State Sources	Department of Human Services for day care, formula operation, Existing Industry Initiative, training for industry programs, Safety Training, Welfare to Work, Professional Development and Project Search.
Intergovernmental Federal Sources	TANF Grant, Child Nutrition for day care, Carl Perkins Grant, and PELL Grants

Business-type Activities

Food Service	Cafeteria sales and outside customers for luncheons, banquets, etc.
Bookstore	Sales of books and supplies to students
Child Care Services	Charge for day care services
Miscellaneous	Books and supplies covered by Pell Grants and Federal Child Nutrition Program reimbursement

Food Service is provided for students and employees as well as outside customers that reserve our facilities for meetings and training. Child Care is not only a part of training but also a licensed day care. This service allows employees and students to have their young children close to them while at work or attending classes. In addition, it also allows clients in the community day care services. The bookstore provides convenience to our students for the purchase of books and materials required for the programs being offered by the School District.

THE SCHOOL DISTRICT'S FUNDS

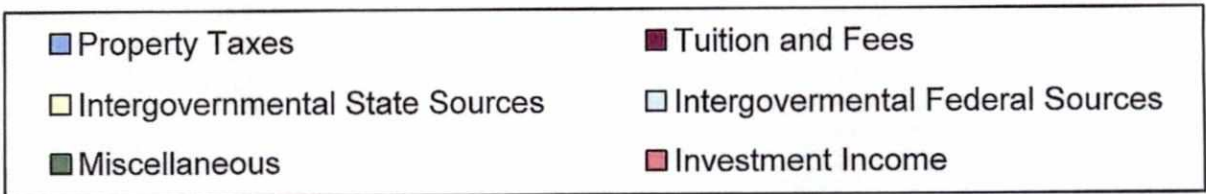
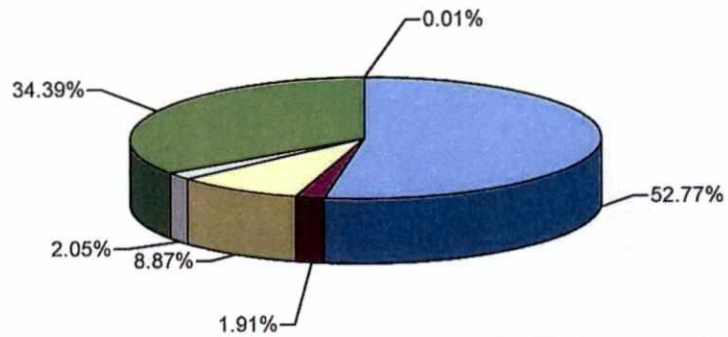
The following schedule presents a summary of general, special revenue (building fund), and expenditures for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to the prior year.

Revenues:	<u>FYE 15 Amount</u>	<u>Percent of Total</u>	<u>FYE 14 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from FYE 14</u>	<u>Percent Increase (Decrease)</u>
Property Taxes	24,683,676.01	52.77%	20,608,755.86	39.38%	4,074,920.15	19.77%
Tuition and Fees	892,859.70	1.91%	758,721.95	1.45%	134,137.75	17.68%
Intergovernmental State Sources	4,148,572.47	8.87%	4,316,109.50	8.25%	-167,537.03	-3.88%
Intergovernmental Federal Sources	958,796.95	2.05%	4,475,451.23	8.55%	-3,516,654.28	-78.58%
Miscellaneous	16,088,529.29	34.39%	22,019,371.49	42.07%	-5,930,842.20	-26.93%
Investment Income	<u>6,617.85</u>	<u>0.01%</u>	<u>159,212.37</u>	<u>0.30%</u>	<u>-152,594.52</u>	<u>-95.84%</u>
Total Revenues	<u>46,779,052.27</u>	<u>100.00%</u>	<u>52,337,622.40</u>	<u>100.00%</u>	<u>-5,558,570.13</u>	<u>-10.62%</u>

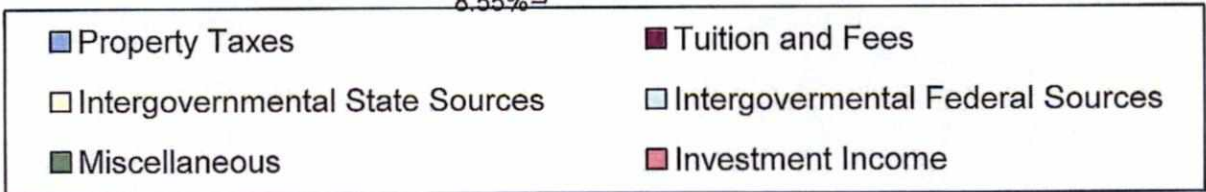
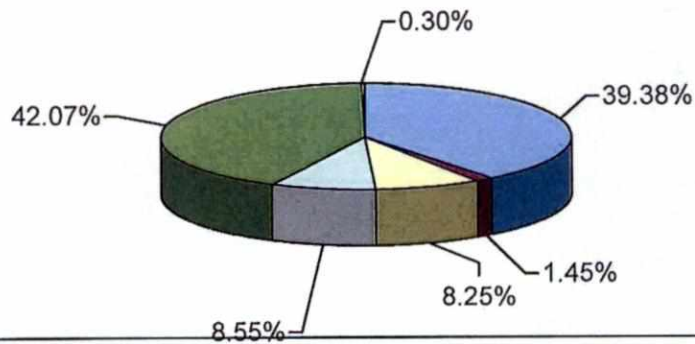
- Property Taxes – Economic growth within the School District and increase in property valuation led to big increases in property taxes revenue.
- Tuition and Fees – Increase in tuition and fees are due to the high enrollment of adult students.
- Intergovernmental State Sources – A decrease due to primarily a reduction of funding from ODCTE.
- Intergovernmental Federal Sources – Funding decreased due to FEMA Funds acquired in FY14 as a result of the El Reno Campus destruction by tornado on May 31, 2013.
- Miscellaneous income decreased primarily due from the Insurance proceeds collected in FY14.
- Investment Income – Interest rates are near their lowest point in decades and there was a decrease in investment income.

Revenues

2015



2014



Expenditures

Instruction Expenditures for direct classroom activities

Support Services Expenditures for administrative, technical and logistical support to facilitate and enhance education.

Non-Instructional Services Activities concerned with providing non-instructional services to students, staff, or community.

Facilities Activities involved with the acquisition of land 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.

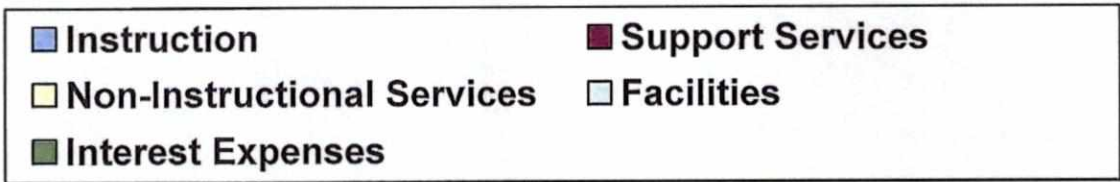
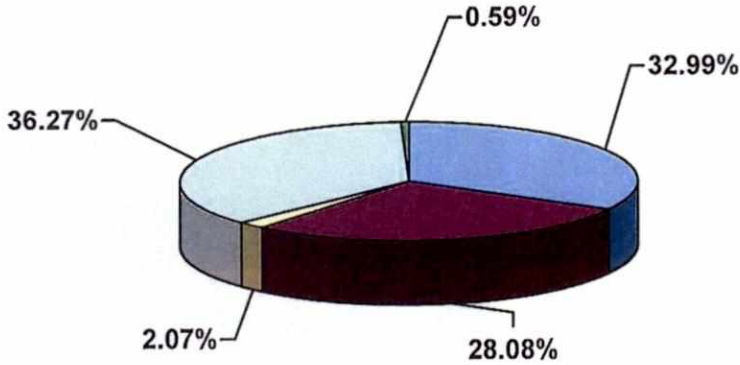
Interest Expenses Interest on non-payable warrants.

Expenditures:	<u>FYE 15 Amount</u>	<u>Percent of Total</u>	<u>FYE 14 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from FYE 14</u>	<u>Percent Increase (Decrease)</u>
Instruction	15,454,880.06	32.99%	13,866,124.90	42.03%	1,588,755.16	11.46%
Support Services	13,154,888.07	28.08%	11,893,408.63	36.05%	1,261,479.44	10.61%
Non-Instructional Services	969,834.25	2.07%	867,348.66	2.63%	102,485.59	11.82%
Facilities	16,994,897.64	36.27%	6,341,935.69	19.22%	10,652,961.95	167.98%
Interest Expenses	<u>276,712.50</u>	<u>0.59%</u>	<u>23,059.38</u>	<u>0.07%</u>	<u>253,653.12</u>	<u>1100.00%</u>
Total Expenditures	<u>46,851,212.52</u>	<u>100.00%</u>	<u>32,991,877.26</u>	<u>100.00%</u>	<u>13,859,335.26</u>	<u>42.01%</u>

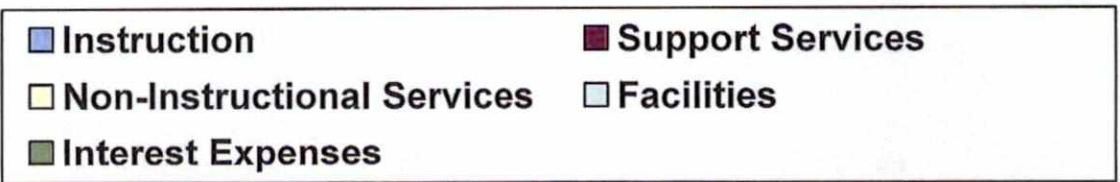
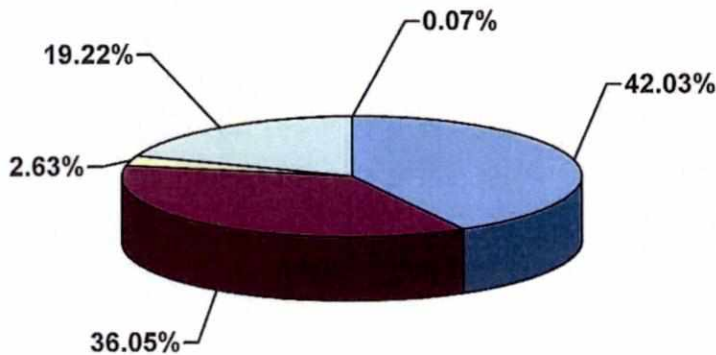
- * The expenditures reflect all capital purchases.
- * Instructional costs increased due to added programs and equipment.
- * Support Services increases were due to GASB 34 adjustments such as accounts payable (goods received and not yet paid) encumbrances payable that were reversed in prior year, accrued salaries and compensated leave. Other increases include salary adjustments and State mandated benefit costs.
- * The main reason for the increase in Non-Instructional Services was due to salary adjustment/benefit increases and increased operational and maintenance costs.
- * Facilities increased because of the cost of tornado cleanup and the rebuilding of the El Reno Building 200 (partial rebuild) and Building 100 rebuild.
- * We had accrued interest expense for the Sinking Fund to repay the \$12,000,000 bonds that was approved by the voters of the CVTC District to be utilized to rebuild the El Reno Campus and improve school sites.

Expenditures

2015



2014



BUDGETARY HIGHLIGHTS

The school district has been very fortunate to experience a growth in our ad valorem. Enrollment was higher especially in the Health related programs. The Dr. Earl Cowan Campus is experiencing healthy enrollments and the adult programs are at capacity. Canadian Valley Technology Center is a leader in the wind energy program.

CAPITAL ASSETS

Capital Assets

At the end of June 30, 2015, the School District had \$55.52 million invested in capital assets including five campuses and additional machinery and equipment for programs (see table below). This represents a net increase of \$4,072,912.12 or 7.92 percent over last year. The increase is mostly due to rebuilding of the El Reno Campus as a result of the May 31, 2013 EF5 tornado.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Land	986,987.26	977,987.26	0.00	0.00	986,987.26	977,987.26
Construction in Progress	15,953,364.49	15,953,364.49	0.00	0.00	15,953,364.49	15,953,364.49
Buildings and infrastructure	30,789,680.97	27,666,077.42	1,482,537.32	1,482,537.32	32,272,218.29	29,148,614.74
Furniture	671,869.53	64,206.33	11,221.46	11,221.47	683,091.00	75,427.80
Machinery & equipment	4,564,059.50	4,297,511.43	22,610.70	22,610.70	4,586,670.20	4,320,122.13
Automobiles	<u>1,040,180.79</u>	<u>974,083.49</u>	<u>0.00</u>	<u>0.00</u>	<u>1,040,180.79</u>	<u>974,083.49</u>
TOTALS	<u>54,006,142.54</u>	<u>49,933,230.42</u>	<u>1,516,369.48</u>	<u>1,516,369.49</u>	<u>55,522,512.03</u>	<u>51,449,599.91</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The prediction for next year's budget is encouraging due to several factors. On the positive side, there is a slight upswing in State revenue collections. Canadian and Grady Counties are growing in residential areas and some businesses. Grady County is also growing residentially in the Tuttle area and many gas and oil leases are being added to the tax rolls. With the destruction of the El Reno Campus, the district is leasing the John Holt Chevrolet Building (until the El Reno Campus is rebuilt). It accommodates full-time programs that were formerly at the El Reno Campus. The El Reno Building 200 is complete. El Reno Building 100 project is scheduled to be finished in the summer of 2016.

The business type activities most likely will remain the same.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent's Office at Canadian Valley Technology Center, 6505 E. Highway 66, El Reno, OK 73036-9117.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
STATEMENT OF NET POSITION
JUNE 30, 2015

Statement 1

	Government Activities	Business-Type Activities	Totals
Assets			
Current assets			
Cash and cash equivalents (note 2A)	\$ 62,579,637.13	\$ -	\$ 62,579,637.13
Investments (note 2A)	-	-	-
Interest receivable	-	-	-
Property taxes receivable	496,294.99	-	496,294.99
Receivables from other governments	98,373.19	-	98,373.19
Other receivables (note 2B)	79,204.57	31,568.17	110,772.74
Inventories (note 2C)	40,000.00	96,245.36	136,245.36
Total current assets	<u>63,293,509.88</u>	<u>127,813.53</u>	<u>63,421,323.41</u>
Noncurrent assets			
Capital assets: (note 2D)			
Land	986,987.26	-	986,987.26
Construction in progress	15,953,364.49	-	15,953,364.49
Capital assets net of accumulated depreciation	26,815,646.09	568,401.12	27,384,047.21
Total noncurrent assets	<u>43,755,997.84</u>	<u>568,401.12</u>	<u>44,324,398.96</u>
Total assets	<u>107,049,507.72</u>	<u>696,214.65</u>	<u>107,745,722.37</u>
Deferred outflows of resources			
Deferred outflows of resources related to pensions	1,396,149.51		1,396,149.51
Liabilities			
Current liabilities			
Accounts payable (note 2E)	3,665,024.78	6,450.42	3,671,475.20
Other payables (note 2F)	3,353,828.71	14,114.69	3,367,943.40
Current portion of accrued compensated absences	291,602.39	-	291,602.39
Current portion of capital lease and bonds payable	3,151,470.18	-	3,151,470.18
Total current liabilities	<u>10,461,926.06</u>	<u>20,565.11</u>	<u>10,482,491.17</u>
Noncurrent liabilities			
Accrued compensated absences (note 2G)	53,076.43	-	53,076.43
Building bonds payable (note 2G)	12,000,000.00	-	12,000,000.00
Capital lease purchase payable (note 2G)	13,666,747.16	-	13,666,747.16
Net pension liability (note 3D)	16,198,242.00	-	16,198,242.00
Total noncurrent liabilities	<u>41,918,065.59</u>	<u>-</u>	<u>41,918,065.59</u>
Total liabilities	<u>52,379,991.65</u>	<u>20,565.11</u>	<u>52,400,556.76</u>
Deferred inflows of resources			
Deferred inflows of resources related to pensions	4,187,246.00		4,187,246.00
Net position			
Invested in capital assets, net of related debt	43,755,997.84	568,401.12	44,324,398.96
Unrestricted	8,122,421.74	107,248.42	8,229,670.16
Sub-total	<u>51,878,419.58</u>	<u>675,649.54</u>	<u>52,554,069.12</u>
Total net position	<u>\$ 51,878,419.58</u>	<u>\$ 675,649.54</u>	<u>\$ 52,554,069.12</u>

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

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2015

Statement 2

Functions/programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating		Primary Government				
			Grants and Contracts	Capital Grants and Contracts	Governmental Activities	Business-type Activities	Totals		
Governmental activities									
Instruction	\$ 11,283,348.62	\$ 892,859.70	\$ 495,845.15	\$ -	\$ (9,894,643.77)	\$ -	\$ (9,894,643.77)		
Support services - instructional	3,089,004.20	-	377,440.00	-	(2,711,564.20)	-	(2,711,564.20)		
Support services - operational	10,460,974.44	-	53,920.00	-	(10,407,054.44)	-	(10,407,054.44)		
Operation of non-instructional services	126,136.43	-	-	-	(126,136.43)	-	(126,136.43)		
Other outlays	17,453,331.39	-	-	-	(17,453,331.39)	-	(17,453,331.39)		
Repayments and financial aid	662,176.57	-	176,561.00	-	(485,615.57)	-	(485,615.57)		
Total governmental activities	<u>43,074,971.64</u>	<u>892,859.70</u>	<u>1,103,766.15</u>	<u>-</u>	<u>(41,078,345.79)</u>	<u>-</u>	<u>(41,078,345.79)</u>		
Business-type activities									
Food services	233,915.86	86,730.20	-	-	-	(147,185.66)	(147,185.66)		
Bookstore services	309,030.68	134,002.31	36,018.14	-	-	(139,010.23)	(139,010.23)		
Child care services	637,197.17	293,803.95	14,243.71	-	-	(329,149.51)	(329,149.51)		
Total business-type activities	<u>1,180,143.71</u>	<u>514,536.46</u>	<u>50,261.85</u>	<u>-</u>	<u>-</u>	<u>(615,345.40)</u>	<u>(615,345.40)</u>		
Totals	<u>\$ 44,255,115.35</u>	<u>\$ 1,407,396.16</u>	<u>\$ 1,154,028.00</u>	<u>\$ -</u>	<u>\$ (41,078,345.79)</u>	<u>\$ (615,345.40)</u>	<u>\$ (41,693,691.19)</u>		
General revenues									
Property taxes					24,683,676.01	-	24,683,676.01		
State aid formula grants					4,148,572.47	-	4,148,572.47		
Federal grants and contracts					(144,969.20)	-	(144,969.20)		
Miscellaneous					16,088,529.29	-	16,088,529.29		
Investment earnings					6,617.85	-	6,617.85		
Transfers - internal activities					(503,976.72)	503,976.72	-		
Special items									
Adjustments to prior year encumbrances					2,650,535.41	-	2,650,535.41		
Total general revenue and special items					<u>46,928,985.11</u>	<u>503,976.72</u>	<u>47,432,961.83</u>		
Change in net position					5,850,639.32	(111,368.68)	5,739,270.64		
Net position, beginning of year, as restated					46,027,780.26	787,018.22	46,814,798.48		
Net position, end of year					<u>\$ 51,878,419.58</u>	<u>\$ 675,649.54</u>	<u>\$ 52,554,069.12</u>		

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

FUND FINANCIAL STATEMENTS

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

Statement 3

	General Fund	Special Revenue Fund		Debt Service Fund	Capital Project Fund	Total Governmental Funds
		Building Fund	Insurance Fund			
Assets						
Cash including time deposits	\$ 9,715,594.29	\$ 9,670,973.86	\$ 30,113,125.30	\$ 1,167,202.46	\$ 11,912,741.22	\$ 62,579,637.13
Investments	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Property taxes receivable	317,208.76	156,548.53	-	22,537.70	-	496,294.99
Receivables from other governments	98,373.19	-	-	-	-	98,373.19
Other receivables	62,532.94	16,671.63	-	-	-	79,204.57
Inventories	40,000.00	-	-	-	-	40,000.00
Total assets	10,233,709.18	9,844,194.02	30,113,125.30	1,189,740.16	11,912,741.22	63,293,509.88
Liabilities						
Accounts payable	249,992.16	1,858,753.65	1,556,278.97	-	-	3,665,024.78
Other payables	1,111,510.00	94,454.83	2,138,919.19	23,059.38	-	3,367,943.40
Current portion of accrued compensated absences	277,487.70	-	-	-	-	277,487.70
Current portion of capital lease and bonds payable	3,151,470.18	-	-	-	-	3,151,470.18
Total liabilities	4,790,460.04	1,953,208.48	3,695,198.16	23,059.38	-	10,461,926.06
Fund Balance						
Unassigned in General fund	5,443,249.14	-	-	-	-	5,443,249.14
Restricted in debt service	-	-	-	1,166,680.78	-	1,166,680.78
Restricted in capital improvements	-	-	-	-	11,912,741.22	11,912,741.22
Restricted in Special Revenue fund	-	7,890,985.54	26,417,927.14	-	-	34,308,912.68
Total fund balances	5,443,249.14	7,890,985.54	26,417,927.14	1,166,680.78	11,912,741.22	52,831,583.82
Total liabilities and fund balances	\$ 10,233,709.18	\$ 9,844,194.02	\$ 30,113,125.30	\$ 1,189,740.16	\$ 11,912,741.22	

Reconciliation of the changes in fund balance: total governmental fund balance to the net position of governmental activities

Amounts reported for governmental activities in the Statement of Net Position is different because:

Construction in progress used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The construction in progress is	\$ 3,953,364.49	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is	\$ 50,052,778.05	
The accumulated depreciation is	<u>(10,250,144.70)</u>	43,755,997.84
Net effect for reconciliation		
Other long-term assets are not available for current-period expenditures and therefore are deferred in the funds:		
Accounts receivable		
Other long-term liabilities are not due and payable in the current-period and therefore are not reported in the funds.		
Accrued compensated absences noncurrent portion		(53,076.43)
Lease purchase payable non current portion		(13,666,747.16)
Bonds payable non current portion		(12,000,000.00)
Some liabilities, including net position obligations, are not due and payable in the current period and, therefore, are not reported in the funds: Net pension liability		(16,198,242.00)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore not reported in the funds.		
Deferred outflows of resources related to pensions of:		
Deferred outflows of resources pension expense		
Deferred outflows of 2015 employer contributions related to pensions	<u>1,396,149.51</u>	1,396,149.51
Deferred inflows of resources related to pensions		<u>(4,187,246.00)</u>
Net position of governmental activities		<u>\$ 51,878,419.58</u>

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

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENT FUNDS
YEAR ENDED JUNE 30, 2015

Statement 4

	General Fund	Special Revenue Fund		Debt Service Fund	Capital Project Fund	Total
		Building Fund	Insurance Fund			
Revenues:						
Property taxes	\$ 15,694,459.43	\$ 7,831,376.81	\$ -	\$ 1,157,839.77	\$ -	\$ 24,683,676.01
Tuition and fees	892,859.70	-	-	-	-	892,859.70
Intergovernmental state sources	4,145,377.44	2,874.08	-	320.95	-	4,148,572.47
Intergovernmental Federal sources	838,079.11	-	120,717.84	-	-	958,796.95
Miscellaneous	436,428.60	27,127.92	15,624,972.77	-	-	16,088,529.29
Investment income	(454.74)	1,070.22	5,962.86	31.11	8.40	6,617.85
Total revenues	<u>22,006,749.54</u>	<u>7,862,449.03</u>	<u>15,751,653.47</u>	<u>1,158,191.83</u>	<u>8.40</u>	<u>46,779,052.27</u>
Expenditures:						
Instruction	14,546,239.33	549,756.10	272,458.10	-	86,426.53	15,454,880.06
Support services	8,859,191.39	3,768,892.30	526,804.38	-	-	13,154,888.07
Non-instruction services	963,176.00	5,338.35	1,319.90	-	-	969,834.25
Facilities	-	2,504,889.81	14,489,007.83	-	1,000.00	16,994,897.64
Interest expense	-	-	-	276,712.50	-	276,712.50
Total expenditures paid	<u>24,368,606.71</u>	<u>6,828,876.56</u>	<u>15,289,590.21</u>	<u>276,712.50</u>	<u>87,426.53</u>	<u>46,851,212.51</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	<u>(2,361,857.17)</u>	<u>1,033,572.47</u>	<u>462,063.26</u>	<u>881,479.33</u>	<u>(87,418.13)</u>	<u>(72,160.24)</u>
Adjustments to prior year encumbrances	<u>310,847.68</u>	<u>169,412.31</u>	<u>2,170,275.42</u>	<u>-</u>	<u>-</u>	<u>2,650,535.41</u>
Other financing sources (uses)						
Transfers in/out	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfer out	<u>(503,976.72)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(503,976.72)</u>
Total other financing sources (uses)	<u>(503,976.72)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(503,976.72)</u>
Excess (deficiency) of revenues and other resources over expenditures and other uses	<u>(2,554,986.21)</u>	<u>1,202,984.78</u>	<u>2,632,338.68</u>	<u>881,479.33</u>	<u>(87,418.13)</u>	<u>2,074,398.45</u>
Fund balance restricted for debt service, beginning of year				285,201.45		285,201.45
Fund balance restricted for capital improvements, beginning of year		6,688,000.76	23,785,588.46		12,000,159.35	42,473,748.57
Fund balance unassigned, beginning of year	<u>7,998,235.35</u>					<u>7,998,235.35</u>
Fund balance restricted for debt service, end of year				<u>\$ 1,166,680.78</u>		1,166,680.78
Fund balance restricted for capital improvements, end of year		<u>\$ 7,890,985.54</u>	<u>\$ 26,417,927.14</u>		<u>\$11,912,741.22</u>	46,221,653.90
Fund balance unassigned, end of year	<u>\$ 5,443,249.14</u>					<u>5,443,249.14</u>
Total fund balance						<u>\$ 52,831,583.82</u>

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

**CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENT FUNDS
YEAR ENDED JUNE 30, 2015**

Statement 4 cont.

Reconciliation of the change in fund balances: total governmental funds to the change
in net position of governmental activities:

Net change in fund balances: total governmental funds 2,074,398.45

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

Governmental funds report the District's capital outlays as expenditures while governmental
activities report depreciation expense to allocate those expenditures over the life
of the assets:

Capital asset purchases capitalized	6,047,448.79
Depreciation	(1,302,481.72)
Loss on disposition of assets	9,357.68

Governmental funds do not report the District's change in noncurrent liabilities as expenditures,
while government activities report the change as an expense of the current period:

Change in noncurrent compensated absences	1,002.13
Change in noncurrent lease purchase payables and bonds payable	(2,065,588.13)

Governmental funds report the District's pension contributions as expenditures.
However in the Statement of Activities, the cost of pension benefits earned
net of employee contributions is reported as pension expense.

Districts pension contributions	\$ 1,396,149.51	
Cost of benefits earned net of employee contributions	<u>(309,647.39)</u>	1,086,502.12

Change in net position of governmental activities	\$ 5,850,639.32
---	-----------------

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

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2015

Statement 5

	Food Services	Book Store Services	Child Care Services	Total Enterprise Funds
Assets				
Current assets				
Cash, including time deposits	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Property taxes receivable	-	-	-	-
Receivable from other governments	-	-	-	-
Other receivables	673.41	7,512.76	23,382.00	31,568.17
Prepaid expenses	-	-	-	-
Inventories	5,187.18	89,908.70	1,149.48	96,245.36
Total current assets	<u>5,860.59</u>	<u>97,421.46</u>	<u>24,531.48</u>	<u>127,813.53</u>
Noncurrent assets				
Capital assets:				
Land	-	-	-	-
Buildings and infrastructure	831,994.37	230,530.89	420,012.06	1,482,537.32
Furniture and equipment	11,380.70	11,221.47	11,230.00	33,832.17
Less accumulated depreciation	<u>(700,588.05)</u>	<u>(55,497.42)</u>	<u>(191,882.90)</u>	<u>(947,968.37)</u>
Total noncurrent assets	<u>142,787.02</u>	<u>186,254.94</u>	<u>239,359.16</u>	<u>568,401.12</u>
Total assets	<u>148,647.61</u>	<u>283,676.40</u>	<u>263,890.64</u>	<u>696,214.65</u>
Liabilities				
Current liabilities				
Accounts payable	673.06	2,708.00	3,069.36	6,450.42
Accrued liabilities	3,458.93	882.93	9,772.83	14,114.69
Total current liabilities	<u>4,131.99</u>	<u>3,590.93</u>	<u>12,842.19</u>	<u>20,565.11</u>
Noncurrent liabilities				
Accrued compensated absences	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,131.99</u>	<u>3,590.93</u>	<u>12,842.19</u>	<u>20,565.11</u>
Net assets				
Invested in capital assets, net of related debt	142,787.02	186,254.94	239,359.16	568,401.12
Unrestricted	1,728.60	93,830.53	11,689.29	107,248.42
Sub-total	<u>144,515.62</u>	<u>280,085.47</u>	<u>251,048.45</u>	<u>675,649.54</u>
Total net assets	<u>\$ 144,515.62</u>	<u>\$ 280,085.47</u>	<u>\$ 251,048.45</u>	<u>\$ 675,649.54</u>

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

**CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015**

Statement 6

	<u>Food Services</u>	<u>Book Store Services</u>	<u>Child Care Services</u>	<u>Total Enterprise Funds</u>
Operating revenue				
Charges for services:				
Food sales	\$ 86,730.20	\$ -	\$ -	\$ 86,730.20
Book sales	-	133,688.81	-	133,688.81
Child care services	-	-	267,376.10	267,376.10
Miscellaneous	-	-	4,921.55	4,921.55
Reimbursements	-	36,331.64	35,750.01	72,081.65
Total operating revenue	<u>86,730.20</u>	<u>170,020.45</u>	<u>308,047.66</u>	<u>564,798.31</u>
Operating expenses:				
Cost of goods sold	75,471.02	174,541.19	50,575.94	300,588.15
Personal services	100,845.38	123,057.01	549,740.27	773,642.66
Other services and charges	8,926.24	4,927.19	28,242.82	42,096.25
Depreciation	48,673.22	6,505.29	8,638.14	63,816.65
Total operating expenses	<u>233,915.86</u>	<u>309,030.68</u>	<u>637,197.17</u>	<u>1,180,143.71</u>
Net operating income	<u>(147,185.66)</u>	<u>(139,010.23)</u>	<u>(329,149.51)</u>	<u>(615,345.40)</u>
Nonoperating revenue (expense)				
Loss on disposal on assets	-	-	-	-
Transfers between activities	-	-	-	-
Total nonoperating revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income before contributions and transfers	(147,185.66)	(139,010.23)	(329,149.51)	(615,345.40)
Capital contributions	-	-	-	-
Operating transfers in (out)	<u>93,337.89</u>	<u>98,707.84</u>	<u>311,930.99</u>	<u>503,976.72</u>
Net income	(53,847.77)	(40,302.39)	(17,218.52)	(111,368.68)
Net assets unrestricted beginning of year	<u>198,363.39</u>	<u>320,387.86</u>	<u>268,266.97</u>	<u>787,018.22</u>
Net asset unrestricted end of year	<u><u>144,515.62</u></u>	<u><u>280,085.47</u></u>	<u><u>251,048.45</u></u>	<u><u>675,649.54</u></u>

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

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015

Statement 7

	Food Services	Book Store Services	Child Care Services	Total Enterprise Funds
Cash flows from operating activities				
Receipts from customers, etc.	\$ 86,972.09	\$ 171,475.49	\$ 307,357.69	\$ 565,805.27
Payments to suppliers	(79,464.60)	(147,126.32)	(69,548.41)	(296,139.33)
Payments to employees	(100,845.38)	(123,057.01)	(549,740.27)	(773,642.66)
Internal activity - payments to other funds	-	-	-	-
Internal activity - receipts from other funds	-	-	-	-
Net cash provided (used) by operating activities	<u>(93,337.89)</u>	<u>(98,707.84)</u>	<u>(311,930.99)</u>	<u>(503,976.72)</u>
Cash flows from noncapital financing activities				
Operating subsidies and transfers (to) from other funds	<u>93,337.89</u>	<u>98,707.84</u>	<u>311,930.99</u>	<u>503,976.72</u>
Cash flows from capital and related financing activities				
Acquisition/sale of fixed assets	-	-	-	-
Proceeds from loans	-	-	-	-
Net cash provided (used) from capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities				
Interest income	-	-	-	-
Net increase (decrease) in cash and cash equivalents	-	-	-	-
Cash balance beginning of year	-	-	-	-
Cash balance end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$(147,185.66)	\$(139,010.23)	\$(329,149.51)	\$(615,345.40)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Cash flows reported in other categories:				
Depreciation expense	48,673.22	6,505.29	8,638.14	63,816.65
Change in assets and liabilities:				
Receivables	241.89	1,455.04	(689.97)	1,006.96
Inventories	800.67	31,705.74	1,256.84	33,763.25
Accounts payable	673.06	(246.61)	(1,759.32)	(1,332.87)
Accrued expenses	3,458.93	882.93	9,772.83	14,114.69
Net cash provided by operating activities	<u>\$ (93,337.89)</u>	<u>\$ (98,707.84)</u>	<u>\$ (311,930.99)</u>	<u>\$ (503,976.72)</u>

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

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS: ACTIVITY FUND
 JUNE 30, 2015

Schedule 4

	Agency Fund
	Activity Funds
ASSETS	
Cash and cash equivalents	\$ 110,106.09
Investments	-
Due from other funds	-
	-
Total assets	\$ 110,106.09
LIABILITIES	
Liabilities:	
Due to student, parent and booster activities	\$ 59,243.55
Due to administrative activities	50,862.54
	50,862.54
Total liabilities	110,106.09
NET POSITION	
Fund balance:	
Restricted	-
Unassigned	-
	-
Total fund balance	-
Total liabilities and fund balances	\$ 110,106.09

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS: ACTIVITY FUND
JUNE 30, 2015

Schedule 5

	Agency Funds; Activity Fund			Balance June 30, 2015
	Balance June 30, 2014	Revenues	Expenditures	
ACTIVITIES				
Student activities	\$ 48,906.36	\$ 92,979.83	\$ 82,642.64	\$ 59,243.55
Total activities	<u>48,906.36</u>	<u>92,979.83</u>	<u>82,642.64</u>	<u>59,243.55</u>
ADMINISTRATIVE				
Administration--petty cash	-	600.00	600.00	-
Administrative account	5,323.04	4,010.22	3,233.42	6,099.84
Miscel non-clearing	532.48	21,930.75	21,156.87	1,306.36
Vending	23,752.73	47,502.90	35,455.37	35,800.26
Flower and gift fund	7,030.40	3,624.30	2,998.62	7,656.08
Clearing account	-	1,092,629.44	1,092,629.44	-
Total administrative	<u>36,638.65</u>	<u>1,170,297.61</u>	<u>1,156,073.72</u>	<u>50,862.54</u>
TOTAL - ALL AGENCY FUNDS	<u>\$ 85,545.01</u>	<u>\$ 1,263,277.44</u>	<u>\$ 1,238,716.36</u>	<u>\$ 110,106.09</u>
	Balance June 30, 2014	Changes	Changes	Balance June 30, 2015
ASSETS				
Cash - all funds	\$ 85,545.01	\$ 1,263,277.44	\$ 1,238,716.36	\$ 110,106.09
Investments	-	-	-	-
Total assets	<u>85,545.01</u>	<u>1,263,277.44</u>	<u>1,238,716.36</u>	<u>110,106.09</u>
LIABILITIES				
Due to activities and administrative	<u>85,545.01</u>	<u>1,263,277.44</u>	<u>1,238,716.36</u>	<u>110,106.09</u>
Total liabilities	<u>85,545.01</u>	<u>1,263,277.44</u>	<u>1,238,716.36</u>	<u>110,106.09</u>
NET POSITION				
Unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO BASIC FINANCIAL STATEMENTS

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

The financial statements of the Canadian Valley Technology Center School District No. 6 (the "District") comply with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statement for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the District the option of electing to apply FASB pronouncements issued after November 30, 1989. The District has elected not to apply those pronouncements. The accounting and framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

The District's fund balance reporting presents the classification of the fund balance on the balance sheet in the following hierarchy:

Nonspendable, restricted, committed, assigned, or unassigned. The District's general fund's fund balance is classified as unassigned and the District's building, insurance, debt service, and capital project fund balances are classified as restricted.

1.A. Financial 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 Vocational and Technical 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 (Board) 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 Board receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

However, the Board 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.

The Canadian Valley Technology Education Foundation is not included in the reporting entity. The District does not appoint any of the board members or exercise any over sight authority over the Foundation.

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

Financial Reporting Entity (Continued)

The District's financial reporting entity comprises the following:

Primary Government:	Canadian Valley Technology Center School District No.6
Component Units:	There are no component units

In determining the financial reporting entity, the District complies with the professional standards and includes component units of which the District appointed a voting majority of the units' board; the District is either able to impose its will on the unit or a financial benefit or burden relationship exists. Based upon the application of these criteria, there are no potential component units included in the Districts reporting entity.

1.B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balance, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the school or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds or that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds

General Fund - The General Fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Presentation (Continued)

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.

Special Revenue Funds - The special revenue fund consists of the District's Building Fund and Insurance Fund. The Building Fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment. The insurance fund consists of monies from insurance proceeds for the purpose of replacing buildings, furniture, and equipment that was lost in the tornado on May 13, 2013.

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 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.

Proprietary Fund

Enterprise Fund

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes three activities reported in the Enterprise Fund. They are Food Services, Book Store Service, and Child Care Services.

Fiduciary Fund (Not included in government-wide statements)

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" 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 operations.

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

**CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Presentation (Continued)

Major and Non-major Funds

The funds are further classified as major or non-major as follows:

Major Funds	Brief Description
General Fund	See above for description
Special Revenue Fund:	
Building Fund	See above for description
Insurance Fund	See above description
Debt Service Fund	See above description
Capital Project Fund	See above description
Proprietary Fund:	
Food Services	Accounts for activities of the two campus's food service centers
Book Store	Accounts for activities of the two campus's book stores
Child Care	Accounts for activities of the two campuses for child care services
Non-major Funds	
None	The District had no non-major funds to report

1.C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

1.D. Assets, Liabilities and Fund Equity

Cash and Investments – For the purpose of the Statement of Net Assets, "cash, including time deposits" includes all demand, savings accounts, and certificates of deposits of the District. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are carried at fair value. Fair value is based on quoted market price. The District had no investments as of June 30, 2015. Additional cash and investment disclosures are presented in Note 2.A.

Interfund Receivables and Payables – There were not any interfund receivables or payables.

Receivables – In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. All accounts receivable are considered collectable at year end. Major receivable balances for the governmental activities include property taxes, grants, and contracts. Business-type activities had no receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, grants and contracts and other similar intergovernmental revenues since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. There were no receivables in the proprietary fund.

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities and Fund Equity (continued)

Inventories - The Food Service inventory consists of food held for resale. The bookstore inventory consists of books, paper, and office supplies. The Child Care Service inventory consists of food supplies. All inventory is recorded at the lower of cost or market. The cost of other consumable materials and supplies on hand are immaterial to the financial statements, and the District has therefore chosen to report these items as expenditures/expenses at the time of purchase.

Fixed Assets – The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to report the majority of the buildings and infrastructures. Historical cost was used to report land, furniture and equipment.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

• Buildings and infrastructure	25-50 years
• Machinery and Equipment	5-20 years
• Furniture	15-20 years
• Automobiles	8 years

In the government-wide financial statements all machinery, equipment, furniture and automobiles costing \$5,000 or more has been capitalized and depreciated over the estimated useful life. Repairs, remodeling and/or construction costing \$25,000 or more has been capitalized and depreciated over the estimated useful life.

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets – The District had no restricted assets.

Long-term Debt – The District has entered into four long-term debt obligations.

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities and Fund Equity (continued)

Compensated Absences – The District’s policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

Equity Classifications

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net assets with constraints placed on the use wither by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net or related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as restricted and unassigned. Proprietary fund equity is classified the same as in the government-wide statements.

1.E. Revenues, Expenditures, and Expenses

Property Tax Revenues - The District is authorized by state law to levy property taxes, which consist of advalorem taxes on real and personal property within the District. The County Assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the roll for submission to the County Treasurer prior to October 1. The County Treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1.

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

Revenues, Expenditures, and Expenses (continued)

If the first payment is not made timely, the entire tax becomes due and payable on January 1. 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. Due to the immaterial amount of any additional property taxes receivable after the 60 day period, no additional accrual is made in the government-wide financial statements.

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

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

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

Operating Revenues and Expenses – Operating revenues and expenses for proprietary funds are those that result from providing service and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses – In the government-wide financial statements, expenses are classified by function of both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – by Character:	Current (further classified by function)
	Debt Service
	Capital Outlay
Proprietary Fund – by Operating and Nonoperating	

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2. Detail Notes on Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

2.A. Cash and Investments

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

In accordance with state statutes, the District's investment policy: The District invests in bank certificates of deposit.

Deposits and Investments – The District's cash deposits and investments at June 30, 2014, were completely insured or collateralized by federal deposit insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District's name. The District's cash deposits and investments at June 30, 2015 are classified in the following categories:

	Average Maturity Months	Credit Rating	Credit Risk	Total Deposits	Insured by FDIC	Uninsured by FDIC	
						Collateralized by Securities	Uncollateralized
Cash & cash equivalents	N/A	AAA ⁺	100%	\$ 62,689,743.22	\$ 62,689,743.22	\$ 0.00	\$ 0.00
Investments	N/A	N/A	0%	0.00	0.00	0.00	0.00
Total				<u>\$ 62,689,743.22</u>	<u>\$ 62,689,743.22</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Investment Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk: The District has no policy that limits its investment choices other than the limitation of state law as follows:

- Direct obligations of the U.S. Government, its agencies and instrumentalities 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 deposits 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 agreement with certain limitations.
- 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.

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2. Detail Notes on Transaction Classes/Accounts (continued)

Cash and Investments (continued)

- 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 paragraphs.

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

Investments - The District had no investments at June 30, 2015.

Reconciliation to Government-wide Statement of Net Assets:

Unrestricted cash	\$ 62,579,637.13
Agency fund cash (not included in government-wide statement) (Activity Fund)	<u>110,106.09</u>
Total cash	<u>\$ 62,689,743.22</u>

2.B. Other Receivables

Other receivables of the business-type activities consist of receivables from customers and students. Other receivables of the governmental activities consist of tuition and fees and reimbursements. Receivables detail at June 30, 2015 was as follows:

	Governmental Activities	Business-type Activities	Total
Tuition and fees receivable	\$ 79,204.57	\$ 0.00	\$ 79,204.57
Child care fees and reimbursements	0.00	23,382.00	23,382.00
Food service collections and reimbursements	0.00	673.41	673.41
Bookstore collections	<u>0.00</u>	<u>7,512.76</u>	<u>7,512.76</u>
Net accounts receivable	<u>\$ 79,204.57</u>	<u>\$ 31,568.17</u>	<u>\$ 110,772.74</u>

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2. Detail Notes on Transaction Classes/Accounts (continued)

2.C. Inventories

Inventories consist of food commodities, bookstore items held for resale and supplies purchased in bulk. Inventory has been recorded at the lower of cost or market value.

Inventory detail at June 30, 2015 was as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Books and supplies held for resale	\$ 0.00	\$ 89,908.70	\$ 89,908.70
Bulk supplies	40,000.00	0.00	40,000.00
Food commodities	<u>0.00</u>	<u>6,336.66</u>	<u>6,336.66</u>
Total	<u>\$ 40,000.00</u>	<u>\$ 96,245.36</u>	<u>\$ 136,245.36</u>

2.D. Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	<u>Balance at</u> <u>June 30, 2014</u>	<u>Additions/</u> <u>Acquisitions</u>	<u>Dispositions</u>	<u>Balance at</u> <u>June 30, 2015</u>
Governmental activities:				
Land	\$ 977,987.26	\$ 9,000.00	0.00	\$ 986,987.26
Construction in progress	15,953,364.49	0.00	0.00	15,953,364.49
Buildings and infrastructure	27,666,077.42	3,123,603.55	0.00	30,789,680.97
Furniture	64,206.33	607,663.20	0.00	671,869.53
Machinery and equipment	4,297,511.43	319,990.07	(53,442.00)	4,564,059.50
Transportation equipment	<u>974,083.49</u>	<u>66,097.30</u>	<u>0.00</u>	<u>1,040,180.79</u>
Totals at historical cost	<u>49,933,230.42</u>	<u>4,126,354.12</u>	<u>(53,442.00)</u>	<u>54,006,142.54</u>
Less accumulated depreciation				
Buildings and infrastructure	(6,332,578.74)	(838,767.56)	0.00	(7,171,346.30)
Furniture	(36,207.69)	(19,739.14)	0.00	(55,946.83)
Machinery and equipment	(2,157,068.41)	(349,281.98)	53,442.00	(2,452,908.39)
Transportation equipment	<u>(475,250.15)</u>	<u>(94,693.04)</u>	<u>0.00</u>	<u>(569,943.19)</u>
Total accumulated depreciation	<u>(9,001,104.99)</u>	<u>(1,302,481.72)</u>	<u>(53,442.00)</u>	<u>(10,250,144.71)</u>
Governmental activities capital assets, net	<u>\$40,932,125.43</u>	<u>\$ 2,823,872.40</u>	<u>\$ 0.00</u>	<u>\$43,755,997.83</u>
Business-type activities:				
Buildings and infrastructure	\$ 1,482,537.32	\$ 0.00	\$ 0.00	\$ 1,482,537.32
Furniture	11,221.46	0.00	0.00	11,221.46
Machinery and equipment	<u>22,610.70</u>	<u>0.00</u>	<u>0.00</u>	<u>22,610.70</u>
Totals at historical cost	<u>1,516,369.48</u>	<u>0.00</u>	<u>0.00</u>	<u>1,516,369.48</u>
Less accumulated depreciation				
Buildings and infrastructure	(851,497.79)	(63,255.58)	0.00	(914,753.37)
Furniture	(10,043.22)	(561.07)	0.00	(10,604.29)
Machinery and equipment	<u>(22,610.70)</u>	<u>0.00</u>	<u>0.00</u>	<u>(22,610.70)</u>
Total accumulated depreciation	<u>(884,151.71)</u>	<u>(63,816.65)</u>	<u>0.00</u>	<u>(947,968.36)</u>
Business-type capital assets, net	<u>\$ 632,217.77</u>	<u>\$ (63,816.65)</u>	<u>\$ 0.00</u>	<u>\$ 568,401.12</u>

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2. Detail Notes on Transaction Classes/Accounts (continued)

Capital Assets (continued)

Depreciation expense was charged to governmental activities as follows:

	<u>Machinery, equipment, furniture, Fixtures and automobiles</u>	<u>Buildings and Infrastructure</u>	<u>Total</u>
General government:			
Instruction	\$ 291,571.04	\$ 615,820.11	\$ 907,391.15
Support services-instructional	49,126.37	63,624.96	112,751.33
Support services-operational	123,016.75	159,322.49	282,339.24
Non-instructional services	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total depreciation expense – Governmental activities	<u>\$ 463,714.16</u>	<u>\$ 838,767.56</u>	<u>\$ 1,302,481.72</u>

Depreciation expense was charged to business activities as follows:

	<u>Machinery, equipment, furniture, Fixtures and automobiles</u>	<u>Buildings and Infrastructure</u>	<u>Total</u>
Food services	\$ 0.00	\$ 48,673.22	\$ 48,673.22
Bookstore services	561.07	5,944.22	6,505.29
Child care services	<u>0.00</u>	<u>8,638.14</u>	<u>8,638.14</u>
Total depreciation expense – Business activities	<u>561.07</u>	<u>63,255.58</u>	<u>63,816.65</u>
Total depreciation expense	<u>\$ 464,275.23</u>	<u>\$ 902,023.14</u>	<u>\$ 1,366,298.37</u>

2.E. Accounts Payable

Accounts payables in the general fund and building fund are composed of payables to vendors. There are no accrued salaries or benefits as of year end. Accounts payables of Enterprise Funds are also composed of payables to vendors.

Interfund Receivables and Payables – There were no interfund receivables or payables at June 30, 2015.

2.F. Other Payables

Other payables in the general fund and building fund are composed of outstanding warrants. These warrants had been released as of June 30, 2015. There were not any “other payables” in the Enterprise Funds.

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2. Detail Notes on Transaction Classes/Accounts (continued)

2.G. Long term debt

	Balance <u>June 30, 2014</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>June 30, 2015</u>	Current due <u>Within one year</u>	Longterm <u>Portion</u>
Accrued compensated absences	\$ 54,078.56	\$ 0.00	\$ 1,002.13	\$ 53,076.43	\$ 0.00	\$ 53,076.43
Building Bonds of 6-1-14	12,000,000.00	0.00	0.00	12,000,000.00	1,320,000.00	10,680,000.00
Lease payable 12-1-06/12-12-12	5,986,554.28	0.00	943,052.10	5,043,502.18	1,066,144.54	3,977,357.64
Lease payable 5-1-07/12-12-12	4,260,703.40	0.00	176,789.75	4,083,913.65	194,391.71	3,889,521.94
Lease payable 3-3-09/12-14-13	1,214,315.66	0.00	296,167.80	918,147.86	301,054.57	617,093.29
Lease payable 2-14-13	<u>9,539,770.49</u>	<u>0.00</u>	<u>262,656.31</u>	<u>9,277,114.18</u>	<u>269,879.36</u>	<u>9,007,234.82</u>
Total	\$ 33,055,422.39	\$ 0.00	\$ 1,679,668.09	\$ 31,375,754.30	\$ 3,151,470.18	\$ 28,224,284.12
Less cash held by Trustee Banks	<u>(7,721,518.84)</u>			<u>(2,504,460.53)</u>	<u>0.00</u>	<u>(2,504,460.53)</u>
Total debt owed	<u>\$ 25,333,903.55</u>			<u>\$28,871,293.77</u>	<u>\$3,151,470.18</u>	<u>\$ 25,719,823.59</u>

Canadian Valley Technology Center issued \$12,000,000 in building bonds dated June 1, 2014. The bonds were for the purpose of providing additional resources for the replacement of the El Reno campus that was destroyed in the tornado of May 31, 2013. The bonds are due on June 1, 2016 in the amount of \$1,320,000 and \$1,335,000 is due on June 1 in each of the years 2017 to 2024. These bonds bear interest at a rate of 2% to 3%.

Date of bonds: 6-4-14
Term of bonds: 10 yr
Total cost: 12,000,000.00
Interest rate: 2% to 3%

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2015-2016	276,715.50	1,320,000.00	1,596,712.50
2016-2017	250,312.50	1,335,000.00	1,585,312.50
2017-2018	223,612.50	1,335,000.00	1,558,612.50
2018-2019	196,912.50	1,335,000.00	1,531,912.50
2019-2020	170,212.50	1,335,000.00	1,505,212.50
2020-2021	143,512.50	1,335,000.00	1,478,512.50
2021-2022	113,475.00	1,335,000.00	1,448,475.00
2022-2023	80,100.00	1,335,000.00	1,415,100.00
2023-2024	<u>40,050.00</u>	<u>1,335,000.00</u>	<u>1,375,050.00</u>
Total	<u>\$ 1,494,900.00</u>	<u>\$ 12,000,000.00</u>	<u>\$ 13,494,900.00</u>

Canadian Valley Technology Center entered into a lease agreement with Bank of America, N.A. on December 28, 2006. This agreement included a Ground Lease Agreement and a Lease/Purchase Agreement. In March 22, 2005, Canadian Valley Technology Center purchased 30 acres of land for a new east campus location for the school district. This Earl Cowan Campus is located at 12200 S.W. 15th Street, Oklahoma City, OK. The District is leasing this campus and the Main Campus in El Reno to the Bank of America, N.A. for the purpose of constructing, renovating, remodeling and repairing properties on behalf of the District. The term of the Ground Lease Agreement is through July 15, 2018. The lease term is \$10.00 per year commencing December

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2. Detail Notes on Transaction Classes/Accounts (continued)

2.G. Long term debt

1, 2006. On December 12, 2012, the December 28, 2006 issue was refinanced through the Canadian County Educational Facilities Authority under the same terms and interest rates. This was done to comply with an Oklahoma Attorney General's opinion regarding lease agreements with a ground lease agreement component.

The second part of the agreement involved the Lease/Purchase Agreement, dated May 1, 2007, between the District and Bank of America, N.A. for the school facilities consisting of the new campus building constructed at 12200 S.W. Oklahoma City, OK and the renovation and remodeling of the existing cosmetology facilities at the El Reno Campus. On December 12, 2012, the May 1, 2007 issue was also refinanced through the Canadian County Educational Facilities Authority under the same terms and interest rates. This was done to comply with an Oklahoma Attorney General's opinion regarding lease agreements with a ground lease agreement component.

The third agreement, dated March 3, 2009, involved the Lease/Purchase agreement between the District and Standard Capital Finance, LLC for the re-roofing of two buildings on the El Reno Campus and electrical wiring change out for two buildings on the Chickasha Campus and one building on the El Reno Campus. The term of the lease was 10 years. This agreement included a Ground Lease Agreement and a Lease/Purchase Agreement with UMB Bank N.A. Bank of Union has purchased this Lease/Purchase Agreement. On February 14, 2013, the Lease/Purchase Agreement was paid off with a new Lease/Purchase. This was done to comply with an Oklahoma Attorney General's opinion regarding lease agreements with a ground lease component.

The fourth agreement, dated February 14, 2013, involved the Lease/Purchase Agreement between the District and the Canadian County Educational Facilities Authority for the school facilities consisting of building additions, remodeling of existing buildings, and the purchase of additional equipment. This issue was for the amount of \$9,950,000.00. This construction project was started as of June 30, 2014. The trustee bank is holding the cash in escrow in the amount of \$2,155,085.17.

Date of lease:	12/12/2012	12/12/2012	2/14/2013	2/14/13	
Lessee:	Canadian County Ed. Facilities Authority	Canadian County Ed. Facilities Authority	Canadian County Ed. Facilities Authority	Canadian County Ed. Facilities Authority	
Term of lease:	15 yr	14 yr	5 yr	10 yr	
Total cost:	6,816,685.77	4,420,616.87	1,520,000.00	9,950,000.00	
Interest rate	4.05%	4.3%	2%	2.75%	
Purchase option	Unpaid balance	Unpaid balance	Unpaid balance	Unpaid balance	
Payment	Variable	Variable	Variable	Variable	Total
Annual commitments:					
2015-2016	1,270,406.38	370,000.00	319,417.53	525,000.00	2,484,823.91
2016-2017	1,361,295.85	380,000.00	318,363.84	525,000.00	2,584,659.69
2017-2018	1,458,595.47	390,000.00	317,292.75	525,000.00	2,690,888.22
2018-2019	1,488,980.12	400,000.00	0.00	525,000.00	2,413,980.12
2019-2020	0.00	1,693,745.65	0.00	1,250,000.00	2,943,745.65
2020-2021	0.00	1,706,927.40	0.00	1,250,000.00	2,956,927.40
2021-2022	0.00	0.00	0.00	3,162,013.78	3,162,013.78
2022-2023	0.00	0.00	0.00	3,162,013.79	3,162,013.79
Total	<u>5,579,277.82</u>	<u>4,940,673.05</u>	<u>955,074.12</u>	<u>10,924,027.57</u>	<u>22,399,052.56</u>
Less interest	(535,775.64)	(856,759.40)	(36,926.26)	(1,646,913.39)	(3,076,374.69)
Total	<u>\$ 5,043,502.18</u>	<u>\$ 4,083,913.65</u>	<u>\$ 918,147.86</u>	<u>\$ 9,277,114.18</u>	<u>\$ 19,322,677.87</u>
Type of lease	Financing	Financing	Financing	Financing	
Purchase Option:	Unpaid Balance	Unpaid Balance	Unpaid Balance	Unpaid Balance	

Business-type Activities:

As of June 30, 2015, the proprietary fund had no long-term debt payable.

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

2.H. Interfund Transactions

Operating Transactions

	Transfers In	Transfers out
General Fund:		
Enterprise funds	\$ 0.00	\$ 503,976.72
Enterprise Funds:		
General fund	503,976.72	0.00
GRAND TOTALS	\$ 503,976.72	\$ 503,976.72

Note 3. Other Notes

3.A. 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 non routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no operating transfers or residual equity transfers during fiscal year 2015.

3.B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

3.C. Other Post Employment Benefits

The District does not offer any early retirement incentive plans.

3.D. Employee Retirement System

The District participates in the state-administered Oklahoma Teachers' Retirement System (the "System"), which is a cost-sharing, multiple-employer public employee retirement system (PERS). Under the system, contributions are made by the District, the State of Oklahoma, and the participating employees.

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT No. 6

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2015

Note 3. Other Notes (continued)

3.D. Employee Retirement System (continued)

Plan Description: Participation in the plan is required for all teachers and other certified employees and is optional for all other regular employees of public educational institutions who work at least 20 hours per week. A participant's date of membership is the date the first contribution is made to the System. The System is administered by a Board of Trustees which acts as a fiduciary for investing the funds and governing the administration of the System. The District has no responsibility or authority for the operation and administration of the System nor has it any liability, except for the current contribution requirements.

Benefits provided: A participant with five years of creditable service may retire with a normal retirement allowance at the age of sixty-two or with reduced benefits as early as age fifty-five. The normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised equals two percent or the average of the highest earning years on contributory service multiplied by the number of years credited service. A participant leaving employment before attaining retirement age, but completing ten years of service, may elect to vest his accumulated contributions and defer receipt of a retirement annuity until a later date.

When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit of \$18,000.00 and the participant's contributions plus interest. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit, elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death.

Legislation effective July 1, 2006 included the following changes to the System, as follows:

It established the EESIP whereby active members are eligible for the EESIP if they have service prior to July 1, 1995, are active on or after July 1, 2006, and are not employed by one of the comprehensive or regional four-year universities. The EESIP allows for two years of service prior to July 1, 1995 to be computed at an enhanced or eliminated cap for each year that the employee has worked beyond normal retirement age at the time of retirement. The \$40,000 cap applicable to service before July 1, 1995 is increased to \$60,000 for the year ended June 30, 2007, to \$80,000 for the year ended June 30, 2008, and the cap is removed beginning July 1, 2008 for service that qualifies for the enhancement provided by EESIP. The employee that elects the enhanced benefit must pay the accumulations, at 10% interest, of contributions that would have been required but for the cap then in place. Payment is required for those years of service that are computed at an elevated or eliminated cap. For those members electing the enhanced benefit, the payment required is 50% of the accumulated balance if the retirement occurs during the year ended June 30, 2007, 75% of the accumulated balance if retirement occurs during the year ended June 30, 2008 and 100% of the accumulated balance for members who retire on or after July 1, 2008.

Contributions: The contribution rates for the District, which are not actuarial determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The District is required by statute to contribute 9.5% of applicable compensation for years ending after June 30, 2010. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. The required contribution for participating members is 7%. The State of Oklahoma, a non-employee contributing entity, provides funds through 5% of the State's sales, use, corporate, and individual income tax collected. The System receives 1% of the cigarette taxes collected by the State and 5% of the net lottery proceeds collected by the State.

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT No. 6
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 3. Other Notes (continued)

3.D. Employee Retirement System (continued)

The District's contributions to the System for the years ending:

	7% Employee Contribution paid <u>By the District</u>	8.2% Match Funded by <u>Federal Programs</u>	9.5% Employer Statutory <u>Contribution</u>	Total <u>Contributions</u>
June 30, 2015	\$ 848,731.81	\$ 28,430.89	\$ 1,365,302.88	\$ 2,242,465.58
June 30, 2014	\$ 791,568.31	\$ 28,747.81	\$ 1,197,598.75	\$ 2,017,914.87
June 30, 2013	\$ 732,765.44	\$ 27,331.83	\$ 1,120,221.50	\$ 1,880,318.77

The employer contribution rates are established by the Oklahoma Legislature and are less than the annual required contribution, which is performed to determine the adequacy of such contribution rates.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions:

At June 30, 2015, the District reported a liability of \$16,198,242.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of the contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.30109005%, which was the same as its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$948,500. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between expected and actual experience	\$ 0.00	\$ 266,995.00
Changes of assumptions	0.00	0.00
Net difference between projected and actual earnings on pension plan investments	0.00	3,920,251.00
Changes in proportion and differences between District contributions and proportionate share of contributions	0.00	0.00
District contributions subsequent to the measurement date	<u>1,396,149.51</u>	<u>0.00</u>
	<u>\$ 1,396,149.51</u>	<u>\$ 4,187,246.00</u>

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT No. 6
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 3. Other Notes (continued)

3.D. Employee Retirement System (continued)

\$1,396,149.51 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended		
2016	\$	834,957
2017		834,957
2018		834,957
2019		834,957
2020		834,957
Thereafter		<u>12,461</u>
	\$	<u>4,187,246</u>

Actuarial assumptions- The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level Percentage of Payroll
- Amortization Period – Amortization over an open 30-year period
- Asset Valuation Method – 5-year smooth market
- Inflation – 3.00%
- Salary Increases – Composed of 3.00% inflation, plus 1.00% productivity increase rate, plus step-rate promotional increases for members with less than 25 years service
- Investment Rate of Return – 8.00%
- Retirement Age – Experience-based table of rates based on age, service, and gender
- Mortality – RP-2000 Combined Mortality Table, projected to 2016 using Scale AA, multiplied by 90% for males and 80% for females

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expecting inflation.

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2014, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	23.50%	6.60%
Domestic Equity	57.50%	6.80%
Private Equity	5.00%	7.90%
Real Estate	7.00%	5.50%
Limited Partnerships	<u>7.00%</u>	7.90%
	<u>100.00%</u>	

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT No. 6
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 3. Other Notes (continued)

3.D. Employee Retirement System (continued)

Discount rate- A single discount rate of 8.00% was used to measure the total pension liability as of June 30, 2013 and 2014. This single discount rate was based solely on the expected rate of return on pension plan investments of 8.00%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate- The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease <u>(7.00%)</u>	Current Discount Rate <u>(8.00%)</u>	1% Increase <u>(9.00%)</u>
District's Proportionate share of The net pension liability	<u>\$ 22,914,062</u>	<u>\$ 16,198,242</u>	<u>\$ 16,758,601</u>

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 Oklahoma Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System.

Ten year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2014. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

The system issues an independent financial report, financial statements, and required supplementary information that 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, or at <http://www.ok.gov/trs/>.

3. E. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. A budget is legally adopted by the Board of Education for the General Fund and Special Revenue Fund (Building Fund) that includes revenues and expenditures.

The 2014-2015 School Budget and Financing Plan was approved by the Board on June 24, 2014 and subsequently filed with the County Clerk. An Amended School Budget and Financing Plan was approved by the Board on October 14, 2014 and subsequently filed with the County Clerk.

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT No. 6
NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2015

Note 3. Other Notes (continued)

3.F. Risk Management

Insurance Coverage

The District purchases commercial insurance policies covering property casualty loss, public liability, school board member and administrator liability, and workers compensation.

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 these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The School also 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. 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 them 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 schools 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 their loss fund in three years, it is returned to them with no interest.

The District is also a member of the Oklahoma Public Schools Unemployment Compensation Program. In this program, the District is required to make a deposit based on past experience for potential unemployment claims. The funds for each District are kept separate. The money contributed by each District does not earn interest and is fully insured. If the District has claims in excess of the amount of their account, they would be liable for the excess.

Contingencies and Other Commitments

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

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT No. 6
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 3. Other Notes (continued)

3.F. Risk Management (continued)

The School District has entered into several multi-year operating lease agreements for various items of equipment which contain the escape clause required by Oklahoma Statutes. The details of the operating lease commitments are noted as follows:

<u>Lessor:</u>	<u>Standley Corporation</u>	<u>Ross Transportation</u>	<u>Totals</u>
Property:	67 various copiers	7 School Buses	
Date of Lease:	Various	Various	
Terms of lease:	5 years	3 years	
Total cost:	\$ 378,520.80	\$ 295,500.00	
Payment:	\$ 6,308.68/mo	\$ 98,300.00/yr	
Annual commitment:			
2015-16	66,864.04	43,500.00	110,364.04
2016-17	63,629.80	0.00	63,629.80
2017-18	46,436.87	0.00	46,436.87
2018-19	10,610.82	0.00	10,610.82

New GASB Standard

The District implemented GASB Statement 68, *Accounting and Financial reporting for Pensions* (GASB 68). GASB 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50 as they related to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and RSI.

As a result of implementing GASB 68, the District restated previously reported net position by decreasing it \$20,327,627.

Subsequent Events

Subsequent events have been evaluated through December 8, 2015, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
PENSION PLAN FUNDING PROGRESS
YEAR ENDED JUNE 30, 2015
UNAUDITED**

Exhibit 1

Oklahoma Teacher Retirement System (the "System")

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Actuarial Accrued Liability (UAAL) (b-a)	Funder Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll (a-b)/(c)
June 30, 2005	6,952.7	14,052.4	7,099.7	49.5%	3,175.2	223.6%
June 30, 2006	7,470.4	15,143.4	7,672.9	49.3%	3,354.9	228.7%
June 30, 2007	8,421.9	16,024.4	7,602.5	52.6%	3,598.9	211.2%
June 30, 2008	9,256.8	18,346.9	9,090.1	50.5%	3,751.4	242.3%
June 30, 2009	9,439.0	18,950.9	7,602.5	49.8%	3,807.9	249.8%
June 30, 2010	9,566.7	19,980.6	10,414.0	47.9%	3,854.8	270.2%
June 30, 2011	9,960.6	17,560.0	7,600.0	56.7%	3,773.3	204.4%
June 30, 2012	10,190.5	18,588.0	8,397.6	54.8%	3,924.8	214.0%
June 30, 2013	10,861.1	18,973.2	8,112.1	57.2%	3,933.1	206.3%
June 30, 2014	12,369.0	19,575.6	7,206.6	63.2%	4,304.3	167.4%

**CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
Schedule of District's Proportionate Share of Net Pension Liability
Teachers' Retirement Plan Last 10 Fiscal Years
Year Ended June 30, 2015**

	2014	2013
District's portion of the net pension liability (asset)	0.30109005%	0.30109005%
District's proportionate share of the net pension liability (asset)	\$ 16,198,242.00	\$ 21,670,474.00
District's covered employee payroll	\$ 14,522,085.00	\$ 13,867,104.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	111.54%	156.27%
Plan fiduciary net position as a percentage of the total pension liability	63.19%	57.25%

**CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
Schedule of District's Contributions
Teachers' Retirement Plan Last 10 Fiscal Years
Year Ended June 30, 2015**

	2014	2013
Contractually required contribution	\$ 1,396,150.00	\$ 1,226,347.00
Contributions in relation to the contractual required contribution	\$ 1,396,150.00	\$ 1,226,347.00
Contribution deficiency (excess)	\$ -	\$ -
District covered payroll	\$ 14,696,316.00	12,908,916.00
Contributions as a percentage of covered employee payroll	9.50%	9.50%

See auditor's disclaimer of opinion

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
BUDGETARY COMPARISON SCHEDULE - STATUTORY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2015
UNAUDITED

Exhibit 2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues collected:				
Local sources	\$ 14,805,230.00	\$ 15,557,912.47	\$ 17,287,021.18	\$ 1,729,108.71
Intermediate sources	-	-	-	-
State sources	4,206,828.33	4,169,083.20	4,178,110.59	9,027.39
Federal sources	1,142,199.90	1,003,194.00	1,039,226.87	36,032.87
Total revenues collected	<u>20,154,258.23</u>	<u>20,730,189.67</u>	<u>22,504,358.64</u>	<u>1,774,168.97</u>
Expenditures paid:				
Instruction	11,235,000.00	11,335,000.00	10,288,506.18	1,046,493.82
Support services	12,080,000.00	12,080,000.00	9,550,798.61	2,529,201.39
Non-instructional services	1,465,000.00	1,375,000.00	1,264,026.95	110,973.05
Capital outlays	-	-	-	-
Other outlays	1,623,791.67	3,114,442.86	706,447.37	2,407,995.49
Total expenditures paid	<u>26,403,791.67</u>	<u>27,904,442.86</u>	<u>21,809,779.11</u>	<u>6,094,663.75</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	<u>(6,249,533.44)</u>	<u>(7,174,253.19)</u>	<u>694,579.53</u>	<u>7,868,832.72</u>
Adjustments to prior year encumbrances	<u>-</u>	<u>-</u>	<u>310,847.68</u>	<u>310,847.68</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other resources over expenditures and other financing sources (uses)	<u>(6,249,533.44)</u>	<u>(7,174,253.19)</u>	<u>1,005,427.21</u>	<u>8,179,680.40</u>
Fund balances, beginning of year-statutory basis	<u>6,249,533.44</u>	<u>7,174,253.19</u>	<u>7,174,253.19</u>	<u>-</u>
Fund balances, end of year- statutory basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,179,680.40</u>	<u>\$ 8,179,680.40</u>
Amounts reported for budgetary comparison schedule-statutory basis to the GAAP basis Presentation is different because:				
Inventory			\$ 40,000.00	
Accounts receivable not recognized as revenue:				
Interest receivable			-	
Property tax			317,208.76	
Receivables from other governments			98,373.19	
Other receivables			62,532.94	
Liabilities payable recognized as expenditures				
Encumbrances payable			1,157,659.76	
Accounts payable			(249,992.16)	
Accrued liabilities			(719,141.18)	
Accrued compensated absences current portion			(291,602.39)	
Current portion of leases payable			(3,151,470.18)	
			<u>\$ 5,443,249.14</u>	

Note: Actual to budget comparison schedule has been presented using the "statutory basis" of accounting. Revenues are recognized when they are received rather than when earned. Under the statutory basis of accounting, expenditures are recognized when encumber/reserved rather than at the time when goods and services are received.

See auditor's disclaimer of opinion

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
BUDGETARY COMPARISON SCHEDULE- STATUTORY BASIS
BUILDING FUND
YEAR ENDED JUNE 30, 2015
UNAUDITED

Exhibit 3

	Budget Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues collected:				
Local sources	\$6,595,229.34	\$ 7,023,791.80	\$7,713,215.47	\$ 689,423.67
Intermediate sources	-	-	-	-
State sources	-	-	2,874.08	2,874.08
Federal sources	-	-	-	-
Total revenues collected	<u>6,595,229.34</u>	<u>7,023,791.80</u>	<u>7,716,089.55</u>	<u>692,297.75</u>
Expenditures paid:				
Instruction	1,330,000.00	1,330,000.00	356,551.17	973,448.83
Support services	2,565,000.00	2,565,000.00	3,874,141.34	(1,309,141.34)
Non-instructional services	200,000.00	100,000.00	5,338.35	94,661.65
Capital outlays	3,100,000.00	3,100,000.00	2,547,321.81	552,678.19
Other outlays	5,588,348.51	6,416,965.35	200.00	6,416,765.35
Total expenditures paid	<u>12,783,348.51</u>	<u>13,511,965.35</u>	<u>6,783,552.67</u>	<u>6,728,412.68</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	<u>(6,188,119.17)</u>	<u>(6,488,173.55)</u>	<u>932,536.88</u>	<u>7,420,710.43</u>
Adjustments to prior year encumbrances	-	-	<u>169,412.31</u>	<u>169,412.31</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other resources over expenditures and other financing sources (uses)	<u>(6,188,119.17)</u>	<u>(6,488,173.55)</u>	<u>1,101,949.19</u>	<u>7,590,122.74</u>
Fund balances, beginning of year-statutory basis	<u>6,188,119.17</u>	<u>6,488,173.55</u>	<u>6,488,173.55</u>	<u>-</u>
Fund balances, end of year statutory basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$7,590,122.74</u>	<u>\$ 7,590,122.74</u>

Amounts reported for budgetary comparison schedule-statutory basis to the GAAP basis

Presentation is different because:

Accounts receivable not recognized as revenue:

Property tax

\$ 156,548.53

Due from other governments

16,671.63

Liabilities payable recognized as expenditures

Encumbrances payable

2,007,889.64

Accounts payable

(1,858,753.65)

Accrued liabilities

(21,493.35)

Purchase of capital assets

258,494.99

Capital asset purchases transferred to general fund operations

(258,494.99)

Fund balance end of year GAAP basis

\$7,890,985.54

Note: Actual to budget comparison schedule has been presented using the "statutory basis" of accounting. Revenues are recognized when they are received rather than when earned. Under the statutory basis of accounting, expenditures are recognized when encumber/reserved rather than at the time when goods and services are received.

See auditor's disclaimer of opinion

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
BUDGETARY COMPARISON SCHEDULE- STATUTORY BASIS
INSURANCE FUND
YEAR ENDED JUNE 30, 2015
UNAUDITED

Exhibit 4

	Budget Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues collected:				
Local sources	\$ -	\$ -	\$ 15,762,744.29	\$ 15,762,744.29
Intermediate sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	120,717.84	120,717.84
Total revenues collected	<u>-</u>	<u>-</u>	<u>15,883,462.13</u>	<u>15,883,462.13</u>
Expenditures paid:				
Instruction	-	-	133,352.25	(133,352.25)
Support services	-	-	538,076.65	(538,076.65)
Non-instructional services	-	-	1,319.90	(1,319.90)
Capital outlays	16,000,000.00	19,752,263.77	18,188,265.12	1,563,998.65
Other outlays	37,276.75	37,276.75	-	37,276.75
Total expenditures paid	<u>16,037,276.75</u>	<u>19,789,540.52</u>	<u>18,861,013.92</u>	<u>928,526.60</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	<u>(16,037,276.75)</u>	<u>(19,789,540.52)</u>	<u>(2,977,551.79)</u>	<u>16,811,988.73</u>
Adjustments to prior year encumbrances	<u>-</u>	<u>-</u>	<u>2,170,275.42</u>	<u>2,170,275.42</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other resources over expenditures and other financing sources (uses)	<u>(16,037,276.75)</u>	<u>(19,789,540.52)</u>	<u>(807,276.37)</u>	<u>18,982,264.15</u>
Fund balances, beginning of year-statutory basis	<u>16,037,276.75</u>	<u>19,789,540.52</u>	<u>19,789,540.52</u>	<u>-</u>
Fund balances, end of year statutory basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,982,264.15</u>	<u>\$ 18,982,264.15</u>
Amounts reported for budgetary comparison schedule-statutory basis to the GAAP basis				
Presentation is different because:				
Accounts receivable not recognized as revenue:				
Other receivables			\$ -	
Due from other governments			-	
Liabilities payable recognized as expenditures				
Encumbrances payable			8,991,941.96	
Accounts payable			(1,556,278.97)	
Accrued liabilities			-	
Purchase of capital assets			108,691.29	
Capital asset purchases transferred to general fund operations			(108,691.29)	
Fund balance end of year GAAP basis			<u>\$ 26,417,927.14</u>	

Note: Actual to budget comparison schedule has been presented using the "statutory basis" of accounting. Revenues are recognized when they are received rather than when earned. Under the statutory basis of accounting, expenditures are recognized when encumber/reserved rather than at the time when goods and services are received.

See auditor's disclaimer of opinion

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
BUDGETARY COMPARISON SCHEDULE- STATUTORY BASIS
BOND FUND
YEAR ENDED JUNE 30, 2015
UNAUDITED

Exhibit 5

	Budget Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues collected:				
Local sources	\$ -	\$ -	\$ 8.40	\$ 8.40
Intermediate sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues collected	<u>-</u>	<u>-</u>	<u>8.40</u>	<u>8.40</u>
Expenditures paid:				
Instruction	2,000,000.00	-	-	-
Support services	1,600,000.00	100,000.00	86,426.53	13,573.47
Non-instructional services	500,000.00	-	-	-
Capital outlays	7,812,732.82	11,900,159.35	1,000.00	11,899,159.35
Other outlays	-	-	-	-
Total expenditures paid	<u>11,912,732.82</u>	<u>12,000,159.35</u>	<u>87,426.53</u>	<u>11,912,732.82</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	<u>(11,912,732.82)</u>	<u>(12,000,159.35)</u>	<u>(87,418.13)</u>	<u>11,912,741.22</u>
Adjustments to prior year encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Bond sale proceeds	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other resources over expenditures and other financing sources (uses)	<u>(11,912,732.82)</u>	<u>(12,000,159.35)</u>	<u>(87,418.13)</u>	<u>11,912,741.22</u>
Fund balances, beginning of year-statutory basis	<u>11,912,732.82</u>	<u>12,000,159.35</u>	<u>12,000,159.35</u>	<u>-</u>
Fund balances, end of year statutory basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,912,741.22</u>	<u>\$ 11,912,741.22</u>

Amounts reported for budgetary comparison schedule-statutory basis to the GAAP basis

Presentation is different because:

 Accounts receivable not recognized as revenue:

 Property tax receivable

\$ -

 Due from other governments

-

 Liabilities payable recognized as expenditures

 Encumbrances payable

-

 Accounts payable

-

 Accrued liabilities

-

 Purchase of capital assets

-

Capital asset purchases transferred to general fund operations

-

Fund balance end of year GAAP basis

\$ 11,912,741.22

Note: Actual to budget comparison schedule has been presented using the "statutory basis" of accounting. Revenues are recognized when they are received rather than when earned. Under the statutory basis of accounting, expenditures are recognized when encumber/reserved rather than at the time when goods and services are received.

See auditor's disclaimer of opinion

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
BUDGETARY COMPARISON SCHEDULE- STATUTORY BASIS
SINKING FUND
YEAR ENDED JUNE 30, 2015
UNAUDITED

Exhibit 6

	Budget Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues collected:				
Local sources	\$ -	\$ 1,191,511.05	\$ 31.11	\$ (1,191,479.94)
Intermediate sources	-	-	1,135,302.07	1,135,302.07
State sources	-	-	320.95	320.95
Federal sources	-	-	-	-
Total revenues collected	<u>-</u>	<u>1,191,511.05</u>	<u>1,135,654.13</u>	<u>(55,856.92)</u>
Expenditures paid:				
Instruction	-	-	-	-
Support services	-	-	-	-
Non-instructional services	-	-	-	-
Capital outlays	-	-	-	-
Other outlays	-	1,499,771.88	276,712.50	1,223,059.38
Total expenditures paid	<u>-</u>	<u>1,499,771.88</u>	<u>276,712.50</u>	<u>1,223,059.38</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	<u>-</u>	<u>(308,260.83)</u>	<u>858,941.63</u>	<u>1,167,202.46</u>
Adjustments to prior year encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other resources over expenditures and other financing sources (uses)	<u>-</u>	<u>(308,260.83)</u>	<u>858,941.63</u>	<u>1,167,202.46</u>
Fund balances, beginning of year-statutory basis	<u>-</u>	<u>308,260.83</u>	<u>308,260.83</u>	<u>-</u>
Fund balances, end of year statutory basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,167,202.46</u>	<u>\$ 1,167,202.46</u>

Amounts reported for budgetary comparison schedule-statutory basis to the GAAP basis

Presentation is different because:

Accounts receivable not recognized as revenue:	
Property tax receivable	\$ 22,537.70
Due from other governments	-
Liabilities payable recognized as expenditures	
Encumbrances payable	-
Accounts payable	-
Accrued liabilities	(23,059.38)
Purchase of capital assets	-
Capital asset purchases transferred to general fund operations	-
Fund balance end of year GAAP basis	<u>\$ 1,166,680.78</u>

Note: Actual to budget comparison schedule has been presented using the "statutory basis" of accounting. Revenues are recognized when they are received rather than when earned. Under the statutory basis of accounting, expenditures are recognized when encumber/reserved rather than at the time when goods and services are received.

See auditor's disclaimer of opinion

OTHER SUPPLEMENTARY INFORMATION

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
 COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
 ALL FUND TYPES AND ACCOUNT GROUPS-STATUTORY BASIS
 JUNE 30, 2015

Schedule 1

	Governmental Fund Types				Fiduciary Fund Types		Account Group		Total Memorandum Only 2015
	General Fund	Special Revenue (Building Fund)	Special Revenue (Insurance Fund)	Capital Project Fund (Bond Fund)	Debt Service Fund (Sinking Fund)	Trust and Agency	General Long-Term Debt		
ASSETS									
Cash and cash equivalents (Note 2)	\$ 9,715,594.29	9,670,973.86	30,113,125.30	11,912,741.22	1,167,202.46	\$ 110,106.09	\$ -	\$ -	\$ 62,689,743.22
Investments	-	-	-	-	-	-	-	-	-
Amount to be provided for capitalized lease agreements	-	-	-	-	-	-	16,818,217.34	16,818,217.34	16,818,217.34
Amounts to be provided for retirement of general long-term debt	-	-	-	-	-	-	12,344,678.82	12,344,678.82	12,344,678.82
Total assets	<u>\$ 9,715,594.29</u>	<u>\$ 9,670,973.86</u>	<u>\$ 30,113,125.30</u>	<u>\$ 11,912,741.22</u>	<u>\$ 1,167,202.46</u>	<u>\$ 110,106.09</u>	<u>\$ 29,162,896.16</u>	<u>\$ 29,162,896.16</u>	<u>\$ 91,852,639.38</u>
LIABILITIES AND FUND EQUITY									
Liabilities:									
Outstanding warrants	\$ 378,254.13	\$ 72,961.48	\$ 2,021,886.67	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,473,202.28
Encumbrances	1,157,659.76	2,007,889.64	9,108,874.48	-	-	-	-	-	12,274,423.88
Long-term debt (note 5):									
Bonds payable	-	-	-	-	-	-	12,000,000.00	12,000,000.00	12,000,000.00
Capital leases	-	-	-	-	-	-	16,818,217.34	16,818,217.34	16,818,217.34
Compensated absence	-	-	-	-	-	-	344,678.82	344,678.82	344,678.82
Due to student activities	-	-	-	-	-	110,106.09	-	-	110,106.09
Total liabilities	<u>1,535,913.89</u>	<u>2,080,851.12</u>	<u>11,130,861.15</u>	<u>-</u>	<u>-</u>	<u>110,106.09</u>	<u>29,162,896.16</u>	<u>29,162,896.16</u>	<u>44,020,628.41</u>
Fund equity:									
Restricted for capital projects	-	-	18,982,264.15	11,912,741.22	-	-	-	-	30,895,005.37
Restricted for debt service	-	-	-	-	1,167,202.46	-	-	-	1,167,202.46
Restricted for plant improvements and operations	-	7,590,122.74	-	-	-	-	-	-	7,590,122.74
Unassigned	8,179,680.40	7,590,122.74	18,982,264.15	11,912,741.22	1,167,202.46	-	-	-	8,179,680.40
Total fund equity balances	<u>8,179,680.40</u>	<u>7,590,122.74</u>	<u>18,982,264.15</u>	<u>11,912,741.22</u>	<u>1,167,202.46</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,832,010.97</u>
Total liabilities and fund equity	<u>\$ 9,715,594.29</u>	<u>\$ 9,670,973.86</u>	<u>\$ 30,113,125.30</u>	<u>\$ 11,912,741.22</u>	<u>\$ 1,167,202.46</u>	<u>\$ 110,106.09</u>	<u>\$ 29,162,896.16</u>	<u>\$ 29,162,896.16</u>	<u>\$ 91,852,639.38</u>

**CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES - STATUTORY BASIS
YEAR ENDED JUNE 30, 2015**

Schedule 2

	Governmental Fund Types					Total (Memorandum only) 2015
	General Fund	Special Revenue (Building Fund)	Special Revenue (Insurance Fund)	Capital Project Fund (Bond Fund)	Debt Service Fund (Sinking Fund)	
Revenues collected:						
Local sources	\$ 17,287,021.18	\$ 7,713,215.47	\$ 15,762,744.29	\$ 8.40	\$ 31.11	\$ 40,763,020.45
Intermediate sources	-	-	-	-	1,135,302.07	1,135,302.07
State sources	4,178,110.59	2,874.08	-	-	320.95	4,181,305.62
Federal sources	1,039,226.87	-	120,717.84	-	-	1,159,944.71
Total revenues collected	<u>22,504,358.64</u>	<u>7,716,089.55</u>	<u>15,883,462.13</u>	<u>8.40</u>	<u>1,135,654.13</u>	<u>47,239,572.85</u>
Expenditures paid:						
Instruction	10,288,506.18	356,551.17	133,352.25	-	-	10,778,409.60
Support Services	9,550,798.61	3,874,141.34	538,076.65	86,426.53	-	14,049,443.13
Non-Instructional services	1,264,026.95	5,338.35	1,319.90	-	-	1,270,685.20
Capital outlay	-	2,547,321.81	18,188,265.12	1,000.00	-	20,736,586.93
Other outlays	706,447.37	200.00	-	-	276,712.50	983,359.87
Debt services:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures paid	<u>21,809,779.11</u>	<u>6,783,552.67</u>	<u>18,861,013.92</u>	<u>87,426.53</u>	<u>276,712.50</u>	<u>47,818,484.73</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	694,579.53	932,536.88	(2,977,551.79)	(87,418.13)	858,941.63	(578,911.88)
Adjustments to prior year encumbrances	310,847.68	169,412.31	2,170,275.42	-	-	-
Other financing sources (uses):						
Bond sale proceeds	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of revenues and other resources over expenditures and other financing sources (uses)	1,005,427.21	1,101,949.19	(807,276.37)	(87,418.13)	858,941.63	(578,911.88)
Fund balances, beginning of year-statutory basis	7,174,253.19	6,488,173.55	19,789,540.52	12,000,159.35	308,260.83	45,760,387.44
Fund balances, end of year-statutory basis	<u>\$ 8,179,680.40</u>	<u>\$ 7,590,122.74</u>	<u>\$ 18,982,264.15</u>	<u>\$ 11,912,741.22</u>	<u>\$ 1,167,202.46</u>	<u>\$ 45,181,475.56</u>

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
 GENERAL AND SPECIAL REVENUE FUNDS-STATUTORY BASIS
 JUNE 30, 2015

Schedule 3

	General Fund			Special Revenue Fund (Building Fund)			Special Revenue Fund (Insurance Fund)		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues collected:									
Local sources	\$ 14,805,230.00	\$ 15,557,912.47	\$ 17,287,021.18	\$ 6,595,229.34	\$ 7,023,791.80	\$ 7,713,215.47	\$ -	\$ -	\$ 15,762,744.29
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	4,206,828.33	4,169,083.20	4,178,110.59	-	-	2,874.08	-	-	-
Federal sources	1,142,199.90	1,003,194.00	1,039,226.87	-	-	-	-	-	120,717.84
Total revenues collected	20,154,258.23	20,730,189.67	22,504,358.64	6,595,229.34	7,023,791.80	7,716,089.55	-	-	15,883,462.13
Expenditures paid:									
Instruction	11,235,000.00	11,335,000.00	10,288,506.18	1,330,000.00	1,330,000.00	356,551.17	-	-	133,352.25
Support services	12,080,000.00	12,080,000.00	9,550,798.61	2,565,000.00	2,565,000.00	3,874,141.34	-	-	538,076.65
Non-instructional services	1,465,000.00	1,375,000.00	1,264,026.95	200,000.00	100,000.00	5,338.35	-	-	1,319.90
Capital outlays	-	-	-	3,100,000.00	3,100,000.00	2,547,321.81	16,000,000.00	19,752,263.77	18,188,265.12
Other outlays	1,623,791.67	3,114,442.86	706,447.37	5,588,348.51	6,416,965.35	200.00	37,276.75	37,276.75	-
Total expenditures paid	26,403,791.67	27,904,442.86	21,809,779.11	12,783,348.51	13,511,965.35	6,783,552.67	16,037,276.75	19,789,540.52	18,861,013.92
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(6,249,533.44)	(7,174,253.19)	694,579.53	(6,188,119.17)	(6,488,173.55)	932,536.88	(16,037,276.75)	(19,789,540.52)	(2,977,551.79)
Adjustments to prior year encumbrances	-	-	310,847.68	-	-	169,412.31	-	-	2,170,275.42
Other financing sources (uses):									
Operating transfers in	-	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other resources over expenditures and other financing sources (uses)	(6,249,533.44)	(7,174,253.19)	1,005,427.21	(6,188,119.17)	(6,488,173.55)	1,101,949.19	(16,037,276.75)	(19,789,540.52)	(807,276.37)
Fund balances, beginning of year-statutory basis	6,249,533.44	7,174,253.19	7,174,253.19	6,188,119.17	6,488,173.55	6,488,173.55	16,037,276.75	19,789,540.52	19,789,540.52
Fund balances, end of year-statutory basis	\$ -	\$ -	\$ 8,179,680.40	\$ -	\$ -	\$ 7,590,122.74	\$ -	\$ -	\$ 18,982,264.15

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL-
 GENERAL AND SPECIAL REVENUE FUNDS-STATUTORY BASIS
 JUNE 30, 2015

Schedule 4

	Capital Project Fund (Bond Fund)			Debt Service Fund (Sinking Fund)		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues collected:						
Local sources	\$ -	\$ -	\$ 8.40	\$ -	\$ 1,191,511.05	\$ 31.11
Intermediate sources	-	-	-	-	-	1,135,302.07
State sources	-	-	-	-	-	320.95
Federal sources	-	-	-	-	-	-
Total revenues collected	-	-	8.40	-	1,191,511.05	1,135,654.13
Expenditures paid:						
Instruction	2,000,000.00	-	-	-	-	-
Support services	1,600,000.00	100,000.00	86,426.53	-	-	-
Non-instructional services	500,000.00	-	-	-	-	-
Capital outlays	7,812,732.82	11,900,159.35	1,000.00	-	-	-
Other outlays	-	-	-	-	1,499,771.88	276,712.50
Total expenditures paid	11,912,732.82	12,000,159.35	87,426.53	-	1,499,771.88	276,712.50
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(11,912,732.82)	(12,000,159.35)	(87,418.13)	-	(308,260.83)	858,941.63
Adjustments to prior year encumbrances	-	-	-	-	-	-
Other financing sources (uses):						
Bond sale proceeds	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of revenues and other resources over expenditures and other financing sources (uses)	(11,912,732.82)	(12,000,159.35)	(87,418.13)	-	(308,260.83)	858,941.63
Fund balances, beginning of year-statutory basis	11,912,732.82	12,000,159.35	12,000,159.35	-	308,260.83	308,260.83
Fund balances, end of year-statutory basis	\$ -	\$ -	\$ 11,912,741.22	\$ -	\$ -	\$ 1,167,202.46

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
FIDUCIARY FUNDS-STATUTORY BASIS
JUNE 30, 2015

Schedule 5

	Agency Fund
	Activity Funds
ASSETS	
Cash and cash equivalents	\$ 110,106.09
Investments	-
Due from other funds	-
	-
Total assets	\$ 110,106.09
LIABILITIES AND FUND EQUITY	
Liabilities:	
Due to student, parent and booster activities	\$ 59,243.55
Due to administrative activities	50,862.54
	110,106.09
Total liabilities	110,106.09
Fund balance:	
Restricted	-
Unassigned	-
	-
Total fund balance	-
Total liabilities and fund balances	\$ 110,106.09

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - STATUTORY BASIS
JUNE 30, 2015

Schedule 6

	Agency Funds: Activity Fund			Balance June 30, 2015
	Balance June 30, 2014	Additions	Deletions	
ACTIVITIES				
Student activities	\$ 48,906.36	\$ 92,979.83	\$ 82,642.64	\$ 59,243.55
Total activities	<u>48,906.36</u>	<u>92,979.83</u>	<u>82,642.64</u>	<u>59,243.55</u>
ADMINISTRATIVE				
Administration--petty cash	-	600.00	600.00	-
Administrative account	5,323.04	4,010.22	3,233.42	6,099.84
Miscel non-clearing	532.48	21,930.75	21,156.87	1,306.36
Vending	23,752.73	47,502.90	35,455.37	35,800.26
Flower and gift fund	7,030.40	3,624.30	2,998.62	7,656.08
Clearing account	-	1,092,629.44	1,092,629.44	-
Total administrative	<u>36,638.65</u>	<u>1,170,297.61</u>	<u>1,156,073.72</u>	<u>50,862.54</u>
TOTAL - ALL AGENCY FUNDS	<u>\$ 85,545.01</u>	<u>\$ 1,263,277.44</u>	<u>\$ 1,238,716.36</u>	<u>\$ 110,106.09</u>
ASSETS				
Cash - all funds	\$ 85,545.01	\$ 1,263,277.44	\$ 1,238,716.36	\$ 110,106.09
Investments	-	-	-	-
Total assets	<u>85,545.01</u>	<u>1,263,277.44</u>	<u>1,238,716.36</u>	<u>110,106.09</u>
LIABILITIES				
Due to activities and administrative	<u>85,545.01</u>	<u>1,263,277.44</u>	<u>1,238,716.36</u>	<u>110,106.09</u>
Total liabilities	<u>\$ 85,545.01</u>	<u>\$ 1,263,277.44</u>	<u>\$ 1,238,716.36</u>	<u>\$ 110,106.09</u>

**CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES FOR OTHER SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015**

The other supplemental schedules of the Canadian Valley Technology Center School District No. 6 (the "District") have been prepared on a statutory basis of accounting. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. The accounting policies are prescribed by the Oklahoma Department of Education and conform to the system of accounting authorized by the State of Oklahoma. The following is a summary of the more significant accounting policies:

A. Fund Accounting

The Schedules use funds and account groups to present the District's 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).

Account Groups

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

General Long-Term Debt Account Group - This account group was established to account for all 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 liabilities for compensated absences and early retirement incentives which are to be paid from funds provided in future years.

General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the School District. Land, buildings, nonstructural improvements, and all other physical assets in all funds are considered expenditures in the year of acquisition and are not recorded as assets for financial statement purposes. The District does not present the General Fixed Asset Account Group.

Memorandum Only - Total Column

The total column on the financial statements 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 generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
NOTES FOR OTHER SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015**

B. Basis of Accounting

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 and expendable trust funds are presented using the statutory basis of accounting. Revenues are recognized when they are received rather than earned. Under the Statutory basis of accounting, expenditures are generally recognized when encumbered/reserved rather than at the time the related fund liability is incurred. Fiduciary type funds are accounted for using the cash basis of accounting. These practices differ from generally accepted accounting principles.

C. Encumbrances

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. Appropriations not used, or encumbered, lapse at the end of the year.

D. Assets, Liabilities and Fund Equity

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

Investments - Investments consist of certificates of deposits issued by banks with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

Inventories - The value of consumable inventories at June 30, 2015 are not presented, in accordance with the statutory basis of accounting.

Fixed Assets and Property, Plant and Equipment - The General Fixed Asset Account Group is not presented.

Steven F. Cundiff

Certified Public Accountant, Inc.
205 West Seventh, Suite 201-A, P.O. Box 187
Stillwater, Oklahoma 74076
(405) 372-4822 FAX (405) 372-4828

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

The Honorable Board of Education
Canadian Valley Technology Center
School District No. 6
El Reno, Canadian 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Canadian Valley Technology Center School District No. 6, Oklahoma, as of and for the year ended June 30, 2015, 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 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Canadian Valley Technology Center School 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Canadian Valley Technology Center School District No. 6's internal control. Accordingly, we do not express an opinion on the effectiveness of the Canadian Valley Technology Center School District No. 6's internal control.

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

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.

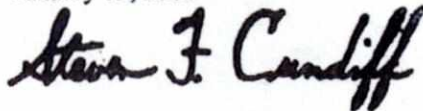
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Canadian Valley Technology Center School 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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

January 12, 2016

A handwritten signature in black ink that reads "Steven F. Cundiff". The signature is written in a cursive style with a large, stylized "S" and "C".

Steven F. Cundiff, CPA, Inc.

Steven F. Cundiff
Certified Public Accountant, Inc.
205 West Seventh, Suite 201-A, P.O. Box 187
Stillwater, Oklahoma 74076
(405) 372-4822 FAX (405) 372-4828

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

The Honorable Board of Education
Canadian Valley Technology Center
School District No. 6
El Reno, Canadian County, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited the Canadian Valley Technology Center School District No. 6, Canadian County, Oklahoma's, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Canadian Valley Technology Center School District No. 6's major federal programs for the year ended June 30, 2015. Canadian Valley Technology Center School District No. 6'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 Canadian Valley Technology Center School District No. 6's major federal programs based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Canadian Valley Technology Center School District No. 6'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 with each major federal program. However, our audit does not provide a legal determination of Canadian Valley Technology Center School District No. 6's compliance.

Opinion on Each Major Federal Program

In our opinion, Canadian Valley Technology Center School District No. 6 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, 2015.

Report on Internal Control Over Compliance

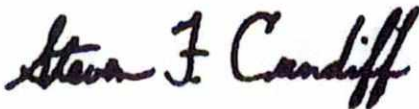
Management of Canadian Valley Technology Center School District No. 6 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Canadian Valley Technology Center School District No. 6'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 program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Canadian Valley Technology Center School District No. 6'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 for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

January 12, 2016



Steven F. Cundiff, CPA, Inc.

**CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

Pass through Entity Federal Grantor/Pass Through Grantor/Program Title	<u>Year</u>	<u>Identifying Number</u>	<u>Federal CFDA Number</u>	<u>Amount of Expenditures</u>
U.S. Department of Education				
Direct programs:		Duns Number		
Pell Grants	6-30-15	#077342194	84.063	\$ 546,107.00
Passed-through State Department of Vocational-Technical Education:				
Carl D. Perkins Vocational Education Act of 1984:Secondary	6-30-15	None	84.048	176,561.00
Temporary Aid to Needy Families	6-30-15	None	93.558	215,680.00
U.S. Department of Agriculture				
Passed-through State Department of Education Child Nutrition Cluster				
National School Lunch Program				
Cash assistance	6-30-15	26801	10.555	14,467.34
Non-cash assistance: commodities	6-30-15	DC-09-014 DC-26-079	10.555	<u>646.46</u>
Total Child Nutrition Cluster				<u>15,113.80</u>
U.S. Department of Health, Education, and Welfare				
Passed-through State Department of Vocational-Technical Education	6-30-15	456	84.126	37,710.00
U.S. Department of Emergency Management				
Direct Program:				
Federal Emergency Management Assistance	6-30-15	594	97.036	<u>3,559,156.89</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 4,550,328.69</u>

Note A: Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of Canadian Valley Technology Center School and is presented on a regulatory basis of accounting conforming with the accounting practices prescribed by the Oklahoma Department of Education and budget laws of the State of Oklahoma which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this method, expenditures are recognized when an approved purchase order is issued. Commodities representing non-cash expenditures have been included in the Schedule of Expenditures of Federal Awards which is an exception to the prescribed basis of accounting.

Note B: There were no amounts passed to subrecipients.

Note C: Grantor provides adequate insurance coverage against loss on assets purchased with Federal Awards.

**CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT No. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

SECTION 1-SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal Control over major programs:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	None reported

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>	<u>Expenditures</u>
97.036	Federal Emergency Management Assistance	3,559,156.89

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000.00
Auditee qualified as low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 1-6
SCHEDULE OF FEDERAL GRANTS/CONTRACTS FUNDING
June 30, 2015

Description	Project Code	Revenue Code	CFDA #	Grant Award	Grant Receivable 6/30/2014	Receipts	Expenditures	Grant Receivable 6/30/2015
US Department of Education								
Direct programs:								
Pell Grants	474	4874	84.063	\$ 546,107.00	\$ 61,712.68	\$ 567,709.68	\$ 546,107.00	\$ 40,110.00
Passed through Oklahoma State Department of Vocational and Technical Education:								
Carl Perkins Cluster								
Carl Perkins Secondary	421	4821	84.048	176,561.00	114,444.31	241,833.41	176,561.00	49,171.90
Carl Perkins Girl Tech	424	4821	84.048	-	5,936.82	5,936.82	-	-
Total for Program (Cluster)				<u>176,561.00</u>	<u>120,381.13</u>	<u>247,770.23</u>	<u>176,561.00</u>	<u>49,171.90</u>
TANF	452	4852	93.558	215,680.00	59,744.66	166,166.18	215,680.00	109,258.48
US Department of Health Education and Welfare								
Passed through Oklahoma State Department of Vocational and Technical Education								
Rehabilitation Services	456	4617	84.126	37,710.00	-	37,710.00	37,710.00	-
US Department of Emergency Management								
Direct programs:								
Federal Emergency Management Assistance	594	4120	97.036	120,717.84	-3,502,476.00	120,717.84	3,559,156.89	-64,036.95
US Department of Agriculture								
Passed through State Department of Education								
Child Nutrition Cluster:								
National School Lunch Program:								
Cash assistance	803	4750	10.555	14,467.34	1,259.07	14,243.71	14,467.34	1,482.70
Non-cash assistance: commodities	803	N/A	10.555	646.46	-	646.46	646.46	-
Total for Program (Cluster)				<u>15,113.80</u>	<u>1,259.07</u>	<u>14,890.17</u>	<u>15,113.80</u>	<u>1,482.70</u>
Total Federal Financial Assistance				<u>\$ 1,111,889.64</u>	<u>\$ (3,259,378.46)</u>	<u>\$ 1,154,964.10</u>	<u>\$ 4,550,328.69</u>	<u>\$ 135,986.13</u>

Note A: Food Distribution: Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note B: This schedule was prepared on a regulatory basis of accounting consistent with the preparation of the combined financial statements, except for the nonmonetary assistance noted in Note A.

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

**CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO.6
SCHEDULE OF EXPENDITURES
FOR EACH STUDENT FINANCIAL ASSISTANCE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2015**

Pell Grant Program

Student grant	\$ 545,232.00
Administrative cost allowance	<u>875.00</u>
Total	<u>\$ 546,107.00</u>

**CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT No. 6
SFA MODIFIED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Pell Grants</u>
Beginning cash balance - July 1, 2014	\$ <u>(62,712.68)</u>
Additions:	
Federal draws on 2014-15 award	566,819.68
Administrative cost allowance	<u>890.00</u>
Total additions	<u>567,709.68</u>
Deductions:	
Administrative cost allowance claimed	(875.00)
Payments to students, tuition and books	<u>(545,232.00)</u>
Total deductions	<u>(546,107.00)</u>
Ending cash balance - June 30, 2015	\$ <u>(40,110.00)</u>

Note: The accompanying SFA Modified Statement of Cash Receipts and Disbursements is a summary of the cash activity of the institution's student financial aid activities and does not present transactions that would be included in financial statements of the institution presented on the accrual basis of accounting, as contemplated by generally accepted accounting principles.

The purpose of the Statement is to present, in summary form, SFA activities of the Canadian Valley Technology Center School District No. 6 as of June 30, 2015 which have been financed by the U.S. Department of Education. The statement is accordingly prepared in the format described in the publication, *Audit Guide for Student Financial Assistance Programs*, published by the U.S. Department of Education, Office of Inspector General.

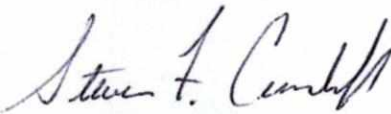
**CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT No. 6
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2014 TO JUNE 30, 2015**

State of Oklahoma

County of Canadian

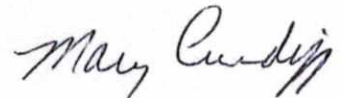
The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Canadian Valley Technology Center School for the audit year 2014-2015.

Steven F. Cundiff, C.P.A., Inc.
Auditing Firm

by 
Authorized Agent

Subscribed and sworn to before me this 12th of January, 2016.

Notary Public



My Commission Expires: 9-27-17 #01016317

