

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
WESTERN VILLAGE ACADEMY DBA
STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
NO. 55E003
OKLAHOMA COUNTY, OKLAHOMA
JUNE 30, 2011**

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
JUNE 30, 2011**

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**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JULY 1, 2010 THROUGH JUNE 30, 2011**

Board of Education

Chairman	Bruce Lawrence
Ex-Officio	Stan Hupfeld
Treasurer	Barbara Dean
Secretary	Ruthie Rayner
Asst Secretary	Beth Pauchnik
Director	Michael Bowling
Director	Tobi Campbell
Director	Keith Cassell
Director	Raynie Harrison
Director	Mack Henson
Director	David Jackson
Director	Rebecca Kindschi
Director	Ken Lawson
Director	Charles Peoples
Director	Mike Schwartz
Director	Vernon Stennis
Director	Jason Thompson
Director	Rosalynn Wade
Director	Brad Walker

Director of Schools

Tobi Campbell



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

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WEATHERFORD, OK 73096
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**INDEPENDENT AUDITOR'S REPORT
ON THE BASIC FINANCIAL STATEMENTS**

The Honorable Board of Education
Western Village Academy dba Stanley Hupfeld Academy at Western Village
Oklahoma City, Oklahoma County, Oklahoma

We have audited the accompanying fund type and account group financial statements of Western Village Academy dba Stanley Hupfeld Academy at Western Village, Oklahoma, as of and for the year ended June 30, 2011, as listed in the Table of Contents. These financial statements are the responsibility of Western Village Academy dba Stanley Hupfeld Academy at Western Village, Oklahoma. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, Western Village Academy dba Stanley Hupfeld Academy at Western Village, Oklahoma, prepares its financial statements in conformity with the accounting and financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. In addition, the financial statements of the School are intended to provide the financial position and changes in financial position of the Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools, of only that portion of the governmental activities attributable to the transactions of the School.

As discussed in Note 1, the financial statements referred to above do not include the general fixed asset account group. The amount that should be recorded in the general fixed asset account group is not known.

In our opinion, because of the School's policy to prepare its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Western Village Academy dba Stanley Hupfeld Academy at Western Village, Oklahoma, as of June 30, 2011, or the results of its operations for the year then ended.

However, in our opinion, except for the omission of the general fixed asset account group as discussed in the fourth paragraph, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances arising from regulatory basis transactions of each fund type and account group of Western Village Academy dba Stanley Hupfeld Academy at Western Village, Oklahoma, as of June 30, 2011, and the revenues it received and expenditures it paid for the year then ended, on the regulatory basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated August 31, 2011, on our consideration of Western Village Academy dba Stanley Hupfeld Academy at Western Village, Oklahoma's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the fund type and account group financial statements of Western Village Academy dba Stanley Hupfeld Academy at Western Village, Oklahoma, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards as listed in the accompanying Table of Contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements referred to above and, in our opinion, except for the financial statements being prepared in compliance with the regulatory basis as prescribed by the Oklahoma State Department of Education as discussed in Note 1, such information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL & MILLER
Certified Public Accountants

Weatherford, Oklahoma
August 31, 2011

COMBINED FINANCIAL STATEMENTS

OF

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA**

WESTERN VILLAGE ACADEMY dba
 STANLEY HUPFELD ACADEMY AT WESTERN VILLAGE
 OKLAHOMA COUNTY, OKLAHOMA
 COMBINED BALANCE SHEET - REGULATORY BASIS -
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2011

	<u>Governmental Fund Types</u>
	<u>General</u>
<u>ASSETS</u>	
Cash and Investments	\$ <u>161,183.89</u>
Total Assets	\$ <u><u>161,183.89</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Warrants payable	\$ 65,678.36
Encumbrances	<u>22,773.65</u>
Total Liabilities	<u>88,452.01</u>
Fund Equity:	
Unreserved:	
Undesignated	<u>72,731.88</u>
Total fund balances	<u>72,731.88</u>
Total Liabilities and Fund Balances	\$ <u><u>161,183.89</u></u>

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

WESTERN VILLAGE ACADEMY dba
 STANLEY HUPFELD ACADEMY AT WESTERN VILLAGE
 OKLAHOMA COUNTY, OKLAHOMA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - REGULATORY BASIS -
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>
Revenues:	
Local sources	\$ 558,349.20
Charter schools per capita sources	1,792,064.75
Intermediate sources	0.00
State sources	8,353.83
Federal sources	<u>465,269.88</u>
Total Revenues Collected	<u>2,824,037.66</u>
Expenditures:	
Instruction	1,555,414.44
Support services	1,007,234.23
Non - Instructional services	192,333.81
Capital outlay	0.00
Other outlays	<u>11,446.70</u>
Total Expenditures	<u>2,766,429.18</u>
Excess of revenue over (under) expenditures	57,608.48
Adjustments to prior year encumbrances	<u>0.00</u>
Excess of revenues and other sources over (under) expenditures and other uses	57,608.48
Beginning fund balance	<u>15,123.40</u>
Ending fund balance	<u>\$ 72,731.88</u>

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

WESTERN VILLAGE ACADEMY dba
 STANLEY HUPFELD ACADEMY AT WESTERN VILLAGE
 OKLAHOMA COUNTY, OKLAHOMA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES - BUDGET AND ACTUAL - REGULATORY BASIS
 BUDGETED GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2011

	General Fund		
	Original Budget	Final Budget	Actual
Beginning fund balances, budgetary basis	\$ 15,123.40	\$ 15,123.40	\$ 15,123.40
Revenues:			
Local sources	949,349.59	949,349.59	558,349.20
Charter schools per capita sources	1,616,515.02	1,616,515.02	1,792,064.75
Intermediate sources	0.00	0.00	0.00
State sources	18,019.00	18,019.00	8,353.83
Federal sources	284,135.70	284,135.70	465,269.88
Total Revenue, budgetary basis	<u>2,868,019.31</u>	<u>2,868,019.31</u>	<u>2,824,037.66</u>
Expenditures:			
Instruction	1,488,785.18	1,672,127.97	1,555,414.44
Support services	1,394,357.53	1,007,234.23	1,007,234.23
Non - Instructional services	0.00	192,333.81	192,333.81
Capital Outlay	0.00	0.00	0.00
Other Outlays	0.00	11,446.70	11,446.70
Debt Service:			
Principal retirement	0.00	0.00	0.00
Interest and fiscal agent charges	0.00	0.00	0.00
Judgments paid	0.00	0.00	0.00
Total Expenditures, budgetary basis	<u>2,883,142.71</u>	<u>2,883,142.71</u>	<u>2,766,429.18</u>
Excess of revenue and beginning fund balances over (under) expenditures - budgetary basis	0.00	0.00	72,731.88
Other financing sources (uses):			
Bond sale proceeds	0.00	0.00	0.00
Operating Transfers	0.00	0.00	0.00
Excess of revenues and other sources over (under) expenditures and other uses	0.00	0.00	72,731.88
Adjustments to prior year encumbrances	0.00	0.00	0.00
Prior Period Adjustments	0.00	0.00	0.00
Ending fund balances	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 72,731.88</u>

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

NOTES TO COMBINED FINANCIAL STATEMENTS

OF

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA**

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

1. **Nature of Organization and Summary of Significant Accounting Policies**

The basic financial statements of the Western Village Academy dba Stanley Hupfeld Academy at Western Village (the "School") have been prepared in conformity with another comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the School's accounting policies are described below.

Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools (the "District"), has contracted with Western Village Academy dba Stanley Hupfeld Academy at Western Village, Inc. ("WVA, Inc.") for the operation of the School, a charter school under the Oklahoma Charter School Act.

Western Village Academy dba Stanley Hupfeld Academy at Western Village, Inc. is an Oklahoma not-for-profit corporation.

The original contract between the District and WVA, Inc. was effective for the fiscal year ended June 30, 2001 and has been renewed through June 30, 2011.

The school receives funding from county, state, and federal government sources and must comply with the applicable requirements of these funding source entities.

The School campus, together with all of the related personal property and equipment, is owned by the District and is leased by WVA, Inc. for \$250 per month on a month-to-month basis.

A. **Reporting Entity**

The School is governed by the board of directors of WVA, Inc. The financial data of the School is also reported within the general fund of the District's financial statements. The accompanying financial statements are intended to present only the results of the operations of the School and not that of the general fund of the District.

The School's activities are reported for federal and Oklahoma tax purposes by WVA, Inc. WVA Inc. is an organization described in Internal Revenue Code Section 501(c)(3). As such, the income of the School is subject to federal or state income taxes only to the extent it generates income from unrelated activities. The School had no unrelated income in the year ended June 30, 2011.

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Summary of Significant Accounting Policies, (Continued)

B. Fund Accounting

The School uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school 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." The School has only governmental funds.

Governmental Fund Types

Governmental Funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds), the acquisition or construction of general fixed assets (Capital Projects Funds), and the servicing of general long-term debt (Debt Service Funds).

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

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Summary of Significant Accounting Policies, (Continued)

Fund Accounting, (Continued)

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. The only account group applicable to the School is the general fixed assets account group. As the School does not maintain a record of general fixed assets, the general fixed assets account group is not presented at June 30, 2011.

C. Basis of Accounting

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

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

- Encumbrances represented by purchase orders, contracts and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
-
- This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types.

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Summary of Significant Accounting Policies, (Continued)

D. Budgets and Budgetary Accounting

Budgets are maintained in the OCAS system of accounting and are included in the financial statements.

E. Assets, Liabilities and Fund Equity

Cash and Cash Equivalents - The School 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 direct obligations of the United States Government and Agencies or certificates of deposit 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, 2011, is not material to the financial statements.

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

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

Compensated Absences - As the School reports under the regulatory basis of accounting, expenditures are generally recognized when encumbered/reserved rather than at the time the related fund liability is incurred. Thus, compensated absences have not been presented.

Cash Fund Balance - Cash fund balance represents the funds not encumbered by purchase order, legal contracts, and outstanding warrants.

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Summary of Significant Accounting Policies, (Continued)

F. Revenue, Expenses and Expenditures

Local Revenues - Revenue from local sources is the money generated from within the boundaries of the School and available to the School for its use. Local sources of revenues for the School include contributions, supplies and materials sold, commissions, and reimbursements.

Intermediate Revenues - Revenues from intermediate sources are the amounts of money from funds collected by an intermediate administrative unit, or a political subdivision between the School and the State, and distributed to schools in amounts that differ in proportion to those collected within such systems.

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

Federal Revenues - Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a pass-through from another government, such as the State.

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Summary of Significant Accounting Policies, (Continued)

Revenue, Expenses and Expenditures, (Continued)

Non-Revenue Receipts - Nonrevenue receipts represent receipts deposited into a fund that are not considered new revenues to the School, but rather the return of assets that also includes miscellaneous receipts.

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 2011.

G. Statement of Cash Flows

Since the School does not currently have any Proprietary Fund Types, the statement of cash flows has not been presented in the fiscal 2011 accompanying financial statements.

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

2. Cash and Investments

The School'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.

Deposits - The District's cash deposits at June 30, 2011, are categorized to give an indication of the level of risk assumed by the School at year end as follows:

Deposit Categories of Credit Risk

- (A) Insured or collateralized with securities held by the School or by its agent in the District's name.
- (B) Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- (C) Uncollateralized.

	Category			Bank
	(A)	(B)	(C)	Balance
Cash	\$ 161,183.89	\$ 0.00	\$ 0.00	\$ 161,183.89
Investments	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Totals	<u>\$ 161,183.89</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 161,183.89</u>

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

3. Employee Retirement System

The School 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 School, the State of Oklahoma, and the participating employees. Participation 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 School has no responsibility or authority for the operation and administration of the System nor has it any liability, except for the current contribution requirements.

A participant with ten 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 of the average of the highest three earning years of contributory service multiplied by the number of years of 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. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit, elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death.

The contribution rates for the School, 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 School is required by statute to contribute 9.50% of applicable compensation effective January 1, 2010. The School 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 7.0% of each member's total compensation.

For the year ended June 30, 2011, the total compensation covered by the Teacher Retirement System was \$1,436,164.67. The School's contributions to the System for the years ending June 30, 2011, 2010 and 2009 were \$137,766.62, \$114,265.74, \$125,362.20, respectively.

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Employee Retirement System, (Continued)

The System's accounting records are maintained on the cash basis of accounting, except for accruals of interest income.

Ten year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2010. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53524, Oklahoma City, OK 73152 or by calling (405) 521-2387.

4. **Health Care Coverage**

During the year ended June 30, 2011, employees of the Western Village Academy dba Stanley Hupfeld Academy at Western Village, Oklahoma, were covered by a health insurance plan (the plan). The teachers and support personnel may elect to be covered by the plan. The plan was authorized by House Bill 1731, 1988 Oklahoma Legislature (74 O.S. 1988, Supp. Section 1301-1322) with the Oklahoma State and Education Employers Group Insurance Board.

5. **Investment Income**

Investment income deposits are receipted as allocated by the School. School funds are required to be invested in accordance with Title 70 of the Oklahoma Statutes. Interest income on cash funds totaled \$85.27.

6. **Contingencies**

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

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

7. Risk Management

The School is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, employees' health and life, and natural disasters. The School manages these various risks of loss through the purchase of commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the School. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

SUPPORTING SCHEDULES

OF

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA**

SUPPLEMENTARY INFORMATION

OF

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA**

WESTERN VILLAGE ACADEMY dba
STANLEY HUPFELD ACADEMY AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA #	Grantor's Number	Approved Amount	Balance at July 1, 2010	Receipts	Expenditures	Balance at June 30, 2011
<i>Passed-through State Department of Education:</i>							
<u>2009-2010 Programs</u>							
ARRA, IDEA Part B	84.391	622	0.00	(2,437.12)	2,437.12	0.00	0.00
Title I	84.010	511	0.00	(913.09)	913.09	0.00	0.00
ARRA, Title 1, Part A	84.389	516	0.00	(1,049.41)	1,049.41	0.00	0.00
<u>2010-2011 Programs</u>							
Title I	84.010	511	141,469.67	0.00	124,404.65	141,469.83	(17,065.18)
Title I, Part A	84.367	541	13,872.28	0.00	11,560.58	13,872.28	(2,311.70)
Title II, Part D	84.318	546	318.78	0.00	318.78	318.78	0.00
Title II, Part D, Twenty-Five Percent	84.318	548	106.26	0.00	106.26	106.26	0.00
Flow Through, IDEA-Part B	84.027	621	59,992.52	0.00	49,749.90	59,992.52	(10,242.62)
Preschool, IDEA-Part B	84.173	641	2,457.88	0.00	2,457.88	2,457.88	0.00
ARRA, Education Stabilization Func	84.394	782	65,804.00	0.00	65,804.00	65,804.00	0.00
Education Jobs Fund	84.410	790	56,102.00	0.00	40,298.10	56,102.00	(15,803.90)
Total Dept. of Education				(4,399.62)	299,099.77	340,123.55	(45,423.40)
U.S. Department of Agriculture							
Passed Through State Dept. of Education:							
Cash Assistance:							
National School Lunch Program	10.555				100,254.38	100,254.38	
School Breakfast Program	10.553				49,598.26	49,598.26	
Fresh Fruit/Vegetable Program	10.582				16,317.47	16,317.47	
Non-Cash Assistance (Commodities):							
National School Lunch Program	10.56			0.00		0.00	
Total USDA					166,170.11	166,170.11	
Total Federal Assistance					465,269.88	506,293.66	

REPORT ON INTERNAL CONTROL AND ON COMPLIANCE

OF

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA**



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

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**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
Western Village Academy dba Stanley Hupfeld Academy at Western Village
Oklahoma City, Oklahoma County, Oklahoma

We have audited the financial statements of Western Village Academy dba Stanley Hupfeld Academy at Western Village, Oklahoma, as of and for the year ended June 30, 2011, and have issued our report thereon dated August 31, 2011. As stated in our report, the financial statements were prepared in compliance with the regulatory basis as prescribed by the Oklahoma State Department of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. In our report, our opinion was qualified because the omission of the General Fixed Assets Account Group results in an incomplete presentation. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Western Village Academy dba Stanley Hupfeld Academy at Western Village, Oklahoma's internal control over financial reporting as a basis for designing our auditing procedures 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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western Village Academy dba Stanley Hupfeld Academy at Western Village, Oklahoma'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* in the United States of America.

However, we noted certain matters that we have reported to the Board of Education and administrative employees of Western Village Academy dba Stanley Hupfeld Academy at Western Village, Oklahoma, in a separate statement of Audit Comments included with this report.

This report is intended solely for the information and use of the Board of Education and administrative employees, all applicable county, state and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
August 31, 2011

**WESTERN VILLAGE ACADEMY DBA STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
AUDIT COMMENTS
JUNE 30, 2011**

CURRENT YEAR

1. None

PRIOR YEAR

1. Extra duty pay should be covered by extra duty contracts if not included in original contract

School has implemented procedures to cover extra duty pay.



AT WESTERN VILLAGE

TO: Britton Kuykendall & Miller
Certified Public Accountants
204 E. Franklin
P.O. Box 507
Weatherford, OK 73096

FROM: Tobi Campbell, Director
Stanley Hupfeld Academy at Western Village

DATE: October 25, 2010

RE: Independent Auditor's Reports
June 30, 2010
Reponse to Audit Comment

Audit Comment:

Extra duty pay should be covered by extra duty contracts if not included in original contract.

Response:

When salaried employees (teachers and paraprofessionals) work in the after school, summer or tutoring programs in addition to their contract teaching day, this work is considered supplemental employment, and the teachers are paid extra for those hours, as recorded and specified on time cards.

In order to address this Audit Comment related to this extra duty pay, Director, Legal and Financial Reporting/Payroll will jointly draft an appropriate personnel policy to be included in the staff/employee policy & procedure handbook to explain this policy.

If appropriate, a clause will be added to the Teacher's Employment Contract template for the 2011-2012 school year.

*"Our mission is to provide effective learning
opportunities for all students"*

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