

REPORT OF AUDIT
TULSA SCHOOL OF ARTS AND SCIENCES
TULSA COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

TULSA SCHOOL OF ARTS AND SCIENCES
TULSA COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

BOARD OF DIRECTORS

DR. JAMES FORD	PRESIDENT
BRIAN BOVAIRD	VICE-PRESIDENT
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KATHY BRETT	MEMBER
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AUDIT BY

PATRICK W. CARROLL
CERTIFIED PUBLIC ACCOUNTANT

CERTIFICATE #4081

TULSA SCHOOL OF ARTS AND SCIENCES
TULSA COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

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Chas. W. Carroll, P.A.

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Directors
Tulsa School of Arts and Sciences
Tulsa County, Oklahoma

I have audited the accompanying fund type and account group financial statements of Tulsa School of Arts and Sciences, Tulsa County, Oklahoma, as listed in the Table of Contents as combined financial statements, as of and for the year ended June 30, 2011. These financial statements are the responsibility of the School's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, these financial statements were prepared in conformity with the accounting and financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education which differs from accounting principles generally accepted in the United States of America. The effect on the financial statements resulting from the use of this regulatory basis of accounting and presentation as compared to accounting principles generally accepted in the United States of America cannot be reasonably determined, but is considered material.

In addition, the School has not maintained the cost of fixed assets purchased in previous years and thus does not know the amounts that should be recorded in the General Fixed Asset Account Group. Therefore, the General Fixed Asset Account Group has not been presented. This information is required under the regulatory presentation prescribed by the Oklahoma State Department of Education.

In my opinion, because of the effects of the matters discussed in the third paragraph, the financial statements referred to above do not present fairly in all material respects, in conformity with accounting principles generally accepted in the United States of America, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tulsa School Of Arts And Sciences, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended.

In my opinion, except for the omission of the General Fixed Asset Account Group results in an incomplete presentation as explained in the fourth paragraph, the financial statements referred to above do present fairly, in all material respects, the assets, liabilities, and equity arising from regulatory basis transactions of each fund type and account group of Tulsa School of Arts and Sciences, as of June 30, 2011, and the revenues collected and expenditures paid/ expenses, where applicable, for the year then ended on the regulatory basis of accounting described in Note 1.

My audit was conducted for the purpose of forming opinions on the fund type and account group financial statements within the combined financial statements. The combining fund statements, schedules, and schedule of expenditures of federal awards, as listed in the Table of Contents under the other supplementary information, are presented for purposes of additional analysis, and are not a required part of the basic financial statement of the School. This other supplementary information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements and, in my opinion, is fairly presented in all material respects in relation to the combined financial statements taken as a whole on the regulatory basis of accounting described in Note 1.

In accordance with Government Auditing Standards, I have also issued a report dated February 14, 2012, on my consideration of the School's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion. 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 my audit.

Sincerely,


Chas. W. Carroll, P.A.
February 14, 2012

**TULSA SCHOOL OF ARTS AND SCIENCES
 COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY -
 REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2011**

<u>ASSETS</u>	<u>GOVERNMENTAL FUND TYPES</u>	<u>FIDUCIARY FUND TYPES</u>	<u>TOTALS</u> (Memorandum Only)	
	<u>GENERAL FUND</u>	<u>EXPENDABLE TRUST AND AGENCY FUND</u>	<u>2011</u>	<u>2010</u>
Cash	\$ 298,974	47,310	346,284	313,624
 <u>LIABILITIES AND FUND EQUITY</u>				
Liabilities				
Warrants payable	84,922		84,922	47,177
Encumbrances	613		613	30,759
Funds held for school organizations		47,310	47,310	43,204
Total liabilities	<u>85,535</u>	<u>47,310</u>	<u>132,845</u>	<u>121,140</u>
Fund Equity				
Cash fund balances	<u>213,439</u>		<u>213,439</u>	<u>192,484</u>
Total Liabilities and Fund Equity	<u>\$ 298,974</u>	<u>47,310</u>	<u>346,284</u>	<u>313,624</u>

**TULSA SCHOOL OF ARTS AND SCIENCES
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN CASH FUND BALANCES
 REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES
 JUNE 30, 2011**

	GOVERNMENTAL FUND TYPES	
	GENERAL FUND	
	2011	2010
Revenues		
Local sources	\$ 131,983	30,155
Federal sources	184,184	126,478
Per Capita sources	1,282,797	1,276,728
Non-revenue sources	771	
Total revenues	1,599,735	1,433,361
Expenditures		
Instruction	888,756	806,820
Support services	680,789	569,117
Operation of non-instructional services		
Other outlays	9,234	20,587
Repayments		70
Total expenditures	1,578,779	1,396,594
Revenues over (under) expenditures	20,956	36,767
Cash fund balance, beginning of year	192,484	155,717
Cash fund balance, end of year	\$ 213,440	192,484

TULSA SCHOOL OF ARTS AND SCIENCES
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
 REGULATORY BASIS - BUDGETED GENERAL FUND
 JUNE 30, 2011

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 95,500	95,500	131,983
Federal sources	53,591	101,603	184,184
Per Capita sources	1,177,518	1,278,250	1,282,797
Non-revenue sources			771
Total revenues	<u>1,326,609</u>	<u>1,475,353</u>	<u>1,599,735</u>
Expenditures			
Instruction	829,119	977,863	888,756
Support services	680,670	680,670	680,789
Other outlays	9,304	9,304	9,234
Repayments			
Total expenditures	<u>1,519,093</u>	<u>1,667,837</u>	<u>1,578,779</u>
Revenues over (under) expenditures	(192,484)	(192,484)	20,956
Cash fund balance, beginning of year	<u>192,484</u>	<u>192,484</u>	<u>192,484</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>213,440</u>

TULSA SCHOOL OF ARTS AND SCIENCES
TULSA COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

The financial statements of the Tulsa School of Arts and Sciences have been prepared in conformity with an other comprehensive basis of accounting required by Oklahoma Statutes. The more significant of the Schools's accounting policies are described below.

A. Reporting Entity

The School 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 School is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the School is the Board of Directors composed of elected members. The appointed director is the executive officer of the School.

In evaluating how to define the School, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's oversight responsibility, especially financial interdependency. A second criterion used in evaluating potential component units is the scope of public service. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the School is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the School's reporting entity.

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.

TULSA SCHOOL OF ARTS AND SCIENCES
TULSA COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO FINANCIAL STATEMENTS

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B. Fund Accounting (continued)

Funds are classified into two categories; governmental and fiduciary. Each category, in turn, is divided into separate "fund types".

Fund Description

The following funds are utilized by the Tulsa School of Arts and Sciences.

Governmental Fund Types -	Fiduciary Fund Types -
General Fund	Trust and Agency Fund

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 ear-marked 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.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School. 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 School is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the School 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 Activity Fund which is used to account for monies collected principally through fundraising efforts of the students and School-sponsored groups. The administration is responsible, under the authority of the Board, of collecting, disbursing, and accounting for these activity funds. The school Activity Funds can include money which is received from the sale of foods through a school Lunch Fund.

TULSA SCHOOL OF ARTS AND SCIENCES
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NOTES TO FINANCIAL STATEMENTS

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Memorandum Only - Total Column

The total column on the general purpose 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, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

C. Basis of Accounting and Presentation

The School prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education (OSDE). 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 significantly differs from that required by GASB 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 and are recorded as expenditures when approved.
- * Investments and inventories are recorded as assets when purchased.
- * Capital assets in proprietary funds are recorded when acquired and depreciated over their useful lives.
- * Warrants payable are recorded as liabilities when issued.
- * Long-term debt is recorded when incurred.
- * Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

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

D. Budgets and Budgetary Accounting

The School is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Directors by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the School must hold an election on the

TULSA SCHOOL OF ARTS AND SCIENCES
TULSA COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO FINANCIAL STATEMENTS

PAGE 4

D. Budgets and Budgetary Accounting (continued)

first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the School must adopt a budget within the approved tax rate.

A budget is legally adopted by the Board of Directors for the General Fund, Special Revenue Funds, and Debt Service Fund that includes revenues and expenditures.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting--under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund - is utilized in all governmental funds of the School.

The unencumbered balance of current fiscal year appropriations and the unexpended reserve appropriations of the previous fiscal year are lapsed and become a part of the beginning fund balance for the succeeding fiscal year.

E. Assets, Liabilities and Fund Equity

Cash, Cash Equivalents and Investments

All monies which are not invested in Certificate of Deposits or United States Treasury Funds are maintained in NOW Checking Accounts or Savings Accounts.

Inventories

The value of consumable inventories at June 30, 2011 is not material to the financial statements.

Fixed Assets and Property, Plant and Equipment

Property and equipment purchases are recorded as capital outlays in the accompanying statements of revenues, expenditures and changes in fund balances. The School does not maintain complete financial records of capital assets purchased which would include depreciation schedules; therefore, a General Fixed Asset Group of Accounts is not presented.

Compensated Absences

The School has elected not to present a liability for compensated absences.

TULSA SCHOOL OF ARTS AND SCIENCES
TULSA COUNTY - OKLAHOMA
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NOTES TO FINANCIAL STATEMENTS

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Operating Leases

The School has elected not to present a liability for operating leases. All operating leases contain a mutual ratification clause for both parties; therefore, the School does not consider the obligation to be for a period extending beyond the current fiscal year.

Long Term Debt

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds. The School has no long term debt.

Cash Fund Balance

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

Safeguard of Deposits and Investments

State statutes require that all deposits in financial institutions be fully collateralized by the United States Government obligations or obligations of Oklahoma and its agencies that have a market value of not less than the principal amount of the deposits. The School Treasurer is responsible for maintaining adequate coverage of all funds on deposit through security pledges approved by the Treasurer of the State of Oklahoma.

Deposit Categories of Credit Risk

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

	<u>Category</u>			<u>BANK BALANCE</u>
	<u>A)</u>	<u>(B)</u>	<u>(C)</u>	
Cash/Investments \$	<u>347,948.31</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 347,948.31</u>

F. Revenue, Expenses and Expenditures

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 Schools based on information accumulated from the Schools.

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 ear-marked 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 program. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

The aforementioned state revenues are apportioned to the School's 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

An entitlement is the amount of payment to which the School is entitled pursuant to an allocation formula contained in applicable statutes.

Inter-fund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed. Any legally authorized transfers are treated as operating transfers and are included in the results of the Government Funds. Transfers

Inter-fund Transactions (continued)

between the Agency Funds (Activity Funds) and the Governmental Fund Types (General Fund) are shown as operating transfers into the Governmental Fund Types (General Fund) only. No transfer is shown out from the Agency Funds as they are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

2. Risk Management

Liabilities Protection Plan

The School's Commercial Liability Insurance agreements cover claims against municipalities for all government functions and services. These include bodily injury, property damage, wrongful acts, personal injury, and related torts under the State tort claims law and federal civil rights laws.

All public officials, employees, services, and municipal functions are covered unless they are specifically listed.

The title to all assets acquired by the Plan are vested in the Group. In the event of termination of the Group, such property shall belong to the then members of the Group in equal shares. Each participating School pays all costs, premiums, or other fees attributable to its respective participation in the Plan, and is responsible for its obligation under any contract entered into with the Plan.

Reserves for claim losses include provisions for reported claims on a case basis and an estimate of claims incurred but not reported limited by aggregate and individual loss levels as specified by the Plan's reinsurance contracts. These credits, if any, represent contingent liabilities of the Plan if the re-insurer was unable to meet its obligations under the reinsurance agreement.

The Plan's insurance agreements are reinsured for excess losses based upon the contract year. The significant components of each reinsurance contract can be obtained from the Plan's annual financial report.

Surety Bonds

School and Activity

The School maintains a Honesty/Faithful Performance Blanket Bond with Western Surety Company in the amount of \$1,000.00 per loss, unless otherwise stated. The bond number is 70825383, dated July 1, 2010 to July 1, 2011.

Director	\$100,000.00
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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.

The System issues an independent financial report, financial statements and required supplementary information that can be obtained in writing at the Teachers' Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, OK 73152 or by calling (405)521-2387.

A participant with 5 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 and the participant's contributions plus interest. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit, elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death.

The 2010-11 contribution rates for the Schools, which are not actuarially determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The School is required by statute to contribute 9.50% of applicable compensation for the year ended June 30, 2011. 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 member is 7% up to a maximum compensation level.

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TULSA COUNTY - OKLAHOMA
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NOTES TO FINANCIAL STATEMENTS

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3. Employee Retirement System (continued)

The total contributions for employees of Tulsa School of Arts and Sciences covered by the System for the year 2011, 2010 and 2009 were \$100,550.06, \$90,211.51 and \$91,369.00, respectively.

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 the 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 Schools. The non-funded pension benefit obligation of the System as determined as part of the latest actuarial valuation dated June 30, 2010, is as follows:

Total pension obligation	\$ 19,980,640,592
Net assets available for benefits, at cost	<u>9,566,683,405</u>
Non-funded pension benefit obligation	<u>\$ 10,413,957,187</u>

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 come due.

4. 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.

- a. The School has filed Form 990's, Return of Organization Exempt from Income Tax, for fiscal years 2009-10 and 2010-11. The School is in contact with the Internal Revenue Service concerning filing requirements for fiscal years 2003 through 2009.

5. Budget Amendments

The General Fund budget was amended one time during the year by filing a supplemental appropriation with the County Clerk's office in the amount of \$148,744.38. This increased the original General Fund budget from \$1,519,093.03 to \$1,667,837.41.

TULSA SCHOOL OF ARTS AND SCIENCES NO. E-004, TULSA COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Federal Grantor's/ Pass-through Grantor's Number	Program or Award Amount	Beginning Balance 7/01/2010	Revenue Collected	Total Expenditures	Ending Balance 6/30/2011
<u>Passed Through State Department of Education:</u>							
Special Education, Flowthrough, P.L. 105-17	84.027		\$ 42,991		41,800	41,800	
Special Education, Flowthrough 2009-10 - Note 1	84.027			(33,569)	33,569		
ARRA Special Education, Flowthrough	84.391						
ARRA - SFSF - Stabilization Funds	84.394		56,247		56,247	56,247	
ARRA - SFSF - Stabilization Funds 2009-10 - Note 1	84.394			(4,246)	4,246		
ARRA - SFSF - GSF 2009-10 - Note 1	84.397			(310)	310		
Education Jobs Fund	84.410		48,012		48,012	48,012	
Total Federal Assistance			\$ 147,250	(38,125)	184,184	146,059	-

**TULSA SCHOOL OF ARTS AND SCIENCES
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 REGULATORY BASIS - ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011**

<u>Activities</u>	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Net Transfers</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
National Art Honor Society	\$ 2,047	140		202	1,985
Art Supply Fund	1,193	1,291	650	2,189	945
Musical Theatre	11,448	2,724	3,050	4,085	13,137
Newspaper/Journalism	22	699		180	541
Transportation	2,445	375		1,250	1,570
Yearbook	3,290	9,207		8,571	3,926
Senior Class	2,995	10,527		9,736	3,786
Instrumental Music	3,857	791	3,050	3,044	4,654
Graduation Fund	5,525	4,120		4,177	5,468
Key Club	840	3,761		4,149	452
Science Club	248			132	116
Junior Class	2,315	2,291		773	3,833
Freshman Class	230				230
National Honor Society	51	90			141
Academic Bowl	164	168			332
Sophomore Class	152	28			180
History Club	3,786	10,483		12,753	1,516
Director's Discretionary		3,759		2,236	1,523
AP Tests	1,349	3,515		4,591	273
PSAT Tests	332	1,045		897	480
Photography	915	10	350	1,001	274
Serenade Night		10,829	(7,100)	1,799	1,930
Speech and Debate		316		298	18
Lost Books		500		500	
TOTAL ASSETS - AGENCY FUNDS	<u>43,204</u>	<u>66,669</u>	<u>-</u>	<u>62,563</u>	<u>47,310</u>
LIABILITIES AND FUND EQUITY					
Funds held for school organizations	<u>\$ 43,204</u>	<u>66,669</u>	<u>-</u>	<u>62,563</u>	<u>47,310</u>

**TULSA SCHOOL OF ARTS AND SCIENCES
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND
 FUND EQUITY - REGULATORY BASIS - ALL FIDUCIARY FUND TYPES
 JUNE 30, 2011**

	AGENCY FUNDS	
	ACTIVITY FUNDS	
	2011	2010
<u>ASSETS</u>		
Cash	\$ 47,310	43,204
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities		
Funds held for school organizations	\$ 47,310	43,204

TULSA SCHOOL OF ARTS AND SCIENCES COMBINING
STATEMENT OF ASSETS, LIABILITIES AND
FUND EQUITY- REGULATORY BASIS- ALL FIDUCIARY FUND TYPES
JUNE 30, 2011

	AGENCY FUNDS	
	ACTIVITY FUNDS	
	2011	2010
ASSETS		
Cash	\$ 47,310	43,204
LIABILITIES AND FUND EQUITY		
Liabilities		
Funds held for school organizations	\$ 47,310	43,204

TULSA SCHOOL OF ARTS AND SCIENCES
TULSA COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

STATE OF OKLAHOMA)
)
COUNTY OF GARFIELD)

The undersigned auditing firm of lawful age, being first duly sworn on oath says that said firm had in Full force and effect Accountant' Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of the audit contract and during the entire audit engagement with the Tulsa School of Arts and Sciences, Tulsa County, Oklahoma, for the audit year 2010-11.

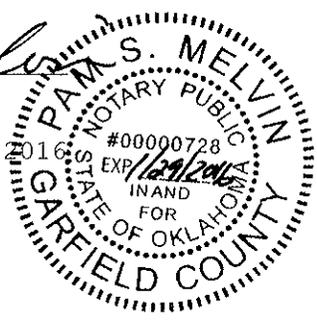
Chas. W. Carroll, P.A.
Auditing Firm

By: *Chas. W. Carroll*

Subscribed and sworn to before me this 14th day of February, 2012.

Pam S. Melvin
Notary Public

My Commission expires January 29, 2016.



Chas. W. Carroll, P.A.

The Broadway Tower - Suite 805
114 E. Broadway

Enid, Oklahoma 73701
Phone 580-234-5468
Fax 580-234-5425

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 Directors
Tulsa School Of Arts And Sciences
Tulsa County, Oklahoma

I have audited the financial statements of the Tulsa School of Arts and Sciences, Tulsa County, Oklahoma, as of and for the year ended June 30, 2011, and have issued my unqualified report thereon dated February 14, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the School's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the School'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 School'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 reasonable possibility that a misstatement of the School's financial statements that is more than inconsequential will not be prevented, or detected and corrected by the School's internal control on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, that results in more than a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses as defined above.

Compliance and Other Matters

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

I noted certain matters that I have reported to management of the School in a separate schedule titled Current Year Audit Exceptions and Recommendations as item B-1.

The School's response to the findings identified in my audit is described in the accompanying school's corrective action plan. I did not audit the School's response and, accordingly I express no opinion on it.

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

Sincerely,



Chas. W. Carroll, P.A.
February 14, 2012

TULSA SCHOOL OF ARTS AND SCIENCES
TULSA COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

DISPOSITION OF PRIOR YEAR FINDINGS
JUNE 30, 2011

There were no reportable conditions noted in the 2009-10 fiscal year.

TULSA SCHOOL OF ARTS AND SCIENCES
TULSA COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE OF FINDINGS
JUNE 30, 2011

Section 1 - Summary of Auditor's Results

No reportable conditions, either material or immaterial, were noted or brought to my attention during the 2010-11 fiscal year.

TULSA SCHOOL OF ARTS AND SCIENCES
TULSA COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

CURRENT YEAR AUDIT EXCEPTIONS AND RECOMMENDATIONS

Specific Administrative Controls

Internal Control

B-1 Surety/Fidelity Bond

The School had a Treasurer's fidelity bond for \$25,000.00 which expired March 6, 2010. It does not appear another bond was provided except for coverage of \$1,000.00 under the Public Employees Blanket Bond.

I recommend a bond be executed for the School Treasurer as required by Oklahoma Statute 70-5-15.

A similar exception was presented in the previous years audit report.

TULSA SCHOOL OF ARTS AND SCIENCES
TULSA COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

PRIOR YEAR AUDIT EXCEPTIONS AND RECOMENDATIONS

All prior year audit exceptions have since been resolved unless they are presented in the current year audit exceptions and recommendations followed by "A similar exception was presented in the previous years audit report".