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**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 1-9  
PONTOTOC COUNTY, OKLAHOMA**

Financial Statements  
June 30, 2011  
With Independent Auditors' Report Thereon



**VANOSS PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-9**  
**PONTOTOC COUNTY, OKLAHOMA**  
June 30, 2011

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**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA  
June 30, 2011**

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**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 1-9  
PONTOTOC COUNTY, OKLAHOMA**

School District Officials

June 30, 2011

Board of Education

President

David Golden

Vice-President

Darrell Phillips

Clerk

Dena Anderson

Member

Linda Embry

Member

Jack Williamson

School District Treasurer

Laura Cothren

Minute-Encumbrance Clerk

Anita Qualls

Superintendent of Schools

Ms. Janet Blocker



# **JOHNSTON & BRYANT**

Certified Public Accountants

Pete Johnston, C.P.A.  
Allen Bryant, Jr., C.P.A.

P.O. Box 1564  
Ada, Oklahoma 74821-1564  
(580) 332-5549

MEMBER  
American Institute of Certified Public Accountants  
Oklahoma Society of Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

The Board of Education  
Vanoss Independent School District Number I-9  
Vanoss, Pontotoc County, Oklahoma

We have audited the accompanying fund type and account group financial statements of Vanoss Independent School District No. I-9, Pontotoc 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 Vanoss Independent School District, No. I-9, Pontotoc County, Oklahoma, Management. 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 the 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, 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 District 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.



Vanoss Independent School District I-9  
Pontotoc County, Oklahoma

In our 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 Vanoss Independent School District, No. I-9, Pontotoc County, Oklahoma, as of June 30, 2011 and the respective changes in financial position thereof for the year then ended.

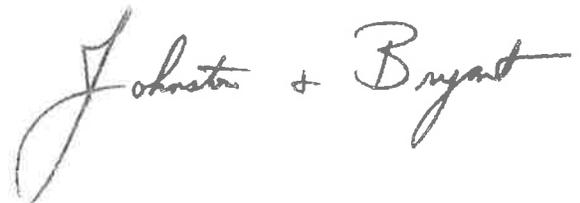
In our opinion, except for the omission of the General Fixed Asset Account Group which results in an incomplete presentation as explained in the fourth paragraph, the financial statements referred to above do present fairly, in all material respects, the assets, the liabilities, and equity arising from regulatory basis transactions of each fund type and account group of Vanoss Independent School District No. I-9, Pontotoc County, Oklahoma, as of June 30, 2011, and the revenues collected, expenditures paid/expenses, and cash flows of each fund type, where applicable, 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 our report dated August 1, 2011, on our consideration of the Vanoss Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements within the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The Schedule of Expenditures of Federal Awards, the combining fund statements and schedules and other schedules as listed in the table of contents under other supplementary information have been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole on the regulatory basis of accounting described in Note 1.

August 1, 2011

(3)

Handwritten signature in cursive script, appearing to read "Johnston + Bryant".



COMBINED FINANCIAL STATEMENTS

**VANOSS PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-9**  
**PONTOTOC COUNTY, OKLAHOMA**  
 Combined Statement of Assets, Liabilities and Fund Balance  
 All Fund Types and Account Groups - Regulatory Basis  
 June 30, 2011

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Co-op
<b><u>ASSETS:</u></b>				
Cash and Cash Equivalents	\$ 2,039,841	\$ 275,180	\$ 63,313	\$ (18,502)
Amounts Available in Debt Services Fund	-	-	-	-
Amounts to be Provided for Retirement of General Long-Term Debt	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,039,841</b>	<b>\$ 275,180</b>	<b>\$ 63,313</b>	<b>\$ (18,502)</b>
<b><u>LIABILITIES:</u></b>				
Warrants Payable	\$ 418,923	\$ 34,715	\$ -	\$ 36,165
Long-Term Debt Bonds Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>418,923</b>	<b>34,715</b>	<b>-</b>	<b>36,165</b>
<b><u>FUND BALANCE:</u></b>				
Designated	-	-	63,313	-
Undesignated	1,620,918	240,465	-	(54,667)
<b>TOTAL FUND BALANCE</b>	<b>1,620,918</b>	<b>240,465</b>	<b>63,313</b>	<b>(54,667)</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,039,841</b>	<b>\$ 275,180</b>	<b>\$ 63,313</b>	<b>\$ (18,502)</b>

The accompanying notes are an integral part of this statement.

<u>Capital Projects</u>	<u>Fiduciary Trust and Agency</u>	<u>Account Group Long- Term Debt</u>	<u>Total (Memorandum Only)</u>
\$ 159,742	\$ 61,280	\$ -	\$ 2,580,854
-	-	63,313	63,313
-	-	201,687	201,687
<u>159,742</u>	<u>61,280</u>	<u>265,000</u>	<u>2,845,854</u>

\$ 91,088	\$ -	\$ -	\$ 580,891
-	-	265,000	265,000
<u>91,088</u>	<u>-</u>	<u>265,000</u>	<u>845,891</u>

68,654	-	-	131,967
-	61,280	-	1,867,996
<u>68,654</u>	<u>61,280</u>	<u>-</u>	<u>1,999,963</u>

<u>\$ 159,742</u>	<u>\$ 61,280</u>	<u>\$ 265,000</u>	<u>\$ 2,845,854</u>
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**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Combined Statement of Revenues Collected, Expenditures Paid and  
Changes in Fund Balances  
All Governmental Fund Types and Expendable Trust Funds - Regulatory Basis  
Year Ended June 30, 2011

	Governmental Fund Types		
	General	Special Revenue	Co-op
<b><u>REVENUES COLLECTED:</u></b>			
District Sources	\$ 370,237	\$ 95,677	\$ -
Intermediate Sources	78,278	-	-
State Sources	2,945,779	4,778	-
Federal Sources	909,439	208,764	-
TOTAL REVENUE COLLECTED	4,303,733	309,219	-
<b><u>EXPENDITURES PAID:</u></b>			
Instruction	2,252,525	-	-
Support Services	1,378,243	-	54,667
Non-Instruction Services	2,822	399,070	-
Capital Outlay	10,213	-	-
Other Outlays	-	-	-
TOTAL EXPENDITURES PAID	3,643,803	399,070	54,667
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments	659,930	(89,851)	(54,667)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Operating Transfers In	-	-	-
Excess of Revenues Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	659,930	(89,851)	(54,667)
Fund Balance, Beginning of Year	960,988	330,316	-
Fund Balance, End of Year	\$ 1,620,918	\$ 240,465	\$ (54,667)

The accompanying notes are an integral part of this statement.

<u>Debt Service</u>	<u>Governmental Fund Types Capital Project</u>	<u>Total (Memorandum Only)</u>
\$ 122,700	\$ 753	\$ 589,367
-	-	78,278
-	-	2,950,557
-	-	1,118,203
<u>122,700</u>	<u>753</u>	<u>4,736,405</u>
-	-	2,252,525
-	-	1,432,910
-	-	401,892
-	134,845	145,058
142,646	-	142,646
<u>142,646</u>	<u>134,845</u>	<u>4,375,031</u>
(19,946)	(134,092)	361,374
-	-	-
(19,946)	(134,092)	361,374
<u>83,259</u>	<u>202,746</u>	<u>1,577,309</u>
<u>\$ 63,313</u>	<u>\$ 68,654</u>	<u>\$ 1,938,683</u>



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Combined Statement of Revenues Collected, Expenditures Paid  
And Changes in Fund Balance - Budget and Actual - Regulatory Basis  
Budgeted Governmental Fund Types – General Fund  
Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>REVENUE COLLECTED:</u></b>				
District Sources	\$ 286,903	\$ 286,903	\$ 370,237	\$ 83,334
Intermediate Sources	64,526	64,526	78,278	13,752
State Sources	2,787,824	2,787,824	2,945,779	157,955
Federal Sources	480,542	480,542	909,439	428,897
<b>TOTAL REVENUE COLLECTED</b>	<b>3,619,795</b>	<b>3,619,795</b>	<b>4,303,733</b>	<b>683,938</b>
<b><u>EXPENDITURES PAID:</u></b>				
Instruction	3,187,273	3,187,273	2,252,525	934,748
Support Services	1,380,000	1,380,000	1,378,243	1,757
Non-Instruction Services	3,110	3,110	2,822	288
Capital Outlay	10,400	10,400	10,213	187
Other Outlays	-	-	-	-
<b>TOTAL EXPENDITURES PAID</b>	<b>4,580,783</b>	<b>4,580,783</b>	<b>3,643,803</b>	<b>936,980</b>
Excess of Revenues Collected Over (Under) Expenditures Paid	(960,988)	(960,988)	659,930	1,620,918
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating Transfers In	-	-	-	-
Excess of Revenue Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(960,988)	(960,988)	659,930	1,620,918
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>960,988</b>	<b>960,988</b>	<b>960,988</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,620,918</b>	<b>\$ 1,620,918</b>

The accompanying notes are an integral part of this statement.



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Combined Statement of Revenues Collected, Expenditures Paid  
And Changes in Fund Balance - Budget and Actual - Regulatory Basis  
Budgeted Governmental Fund Types – Special Revenue Fund  
Year Ended June 30, 2011

	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUE COLLECTED:</u></b>			
District Sources	\$ 85,117	\$ 95,677	\$ 10,560
State Sources	3,863	4,778	915
Federal Sources	196,875	208,764	11,889
TOTAL REVENUE COLLECTED	285,855	309,219	23,364
<b><u>EXPENDITURES PAID:</u></b>			
Instruction	-	-	-
Support Services	-	-	-
Non-Instruction Services	616,171	399,070	217,101
Capital Outlays	-	-	-
Other Outlays	-	-	-
TOTAL EXPENDITURES PAID	616,171	399,070	217,101
Excess of Revenue Collected Over (Under) Expenditures Paid	(330,316)	(89,851)	240,465
<b><u>OTHER FINANCING SOURCES (USES):</u></b>			
Operating Transfers In	-	-	-
Excess of Revenue Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(330,316)	(89,851)	240,465
FUND BALANCE, BEGINNING OF YEAR	(330,316)	(330,316)	-
FUND BALANCE, END OF YEAR	\$ -	\$ 240,465	\$ 240,465

The accompanying notes are an integral part of this statement.



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Combined Statement of Revenues Collected, Expenditures Paid  
And Changes in Fund Balance - Budget and Actual - Regulatory Basis  
Budgeted Governmental Fund Types – Debt Service Fund  
Year Ended June 30, 2011

	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUE COLLECTED:</u></b>			
District Sources	\$ 114,051	\$ 122,700	\$ 8,649
State Sources	-	-	-
Federal Sources	-	-	-
Investment Income	-	-	-
TOTAL REVENUE COLLECTED	114,051	122,700	8,649
<b><u>EXPENDITURES PAID:</u></b>			
Instruction	-	-	-
Support Services	-	-	-
Non-Instruction Services	-	-	-
Capital Outlays	-	-	-
Other Outlays	142,646	142,646	-
TOTAL EXPENDITURES PAID	142,646	142,646	-
Excess of Revenue Collected Over (Under) Expenditures Paid	(28,595)	(19,946)	8,649
<b><u>OTHER FINANCING SOURCES (USES):</u></b>			
Operating Transfers In	-	-	-
Excess of Revenue Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(28,595)	(19,946)	8,649
FUND BALANCE, BEGINNING OF YEAR	83,259	83,259	-
FUND BALANCE, END OF YEAR	\$ 54,664	\$ 63,313	\$ 8,649

The accompanying notes are an integral part of this statement.



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-39  
PONTOTOC COUNTY, OKLAHOMA**

Combined Statement of Revenues Collected, Expenditures Paid  
And Changes in Fund Balance - Budget and Actual – Regulatory Basis  
Budgeted Governmental Fund Types – Co-op Fund  
Year Ended June 30, 2011

	Original/ Final Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES COLLECTED:</u>				
District Sources	\$ -	\$ -	\$ -	\$ -
Intermediate Sources	-	-	-	-
State Sources	243,838	243,838	-	(243,838)
Federal Sources	-	-	-	-
TOTAL REVENUE COLLECTED	243,838	243,838	-	(243,838)
<u>EXPENDITURES PAID:</u>				
Instruction	-	-	-	-
Support Services	243,838	243,838	54,667	189,171
Non-Instruction Services	-	-	-	-
Capital Outlays	-	-	-	-
Other Outlays	-	-	-	-
TOTAL EXPENDITURES PAID	243,838	243,838	54,667	189,171
Excess of Revenues Collected Over (Under) Expenditures Paid	-	-	(54,667)	(54,667)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In (Out)	-	-	-	-
Excess Of Revenues Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	-	-	(54,667)	(54,667)
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ (54,667)	\$ (54,667)

The accompanying notes are an integral part of this statement.



NOTES TO FINANCIAL STATEMENTS



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Notes to Financial Statements  
June 30, 2011

**Note 1. Summary of Significant Accounting Policies**

The financial statements of the Vanoss Public Schools Independent District No. I-9 (the "District") have been prepared in conformity with another comprehensive basis of accounting prescribed or permitted by Oklahoma Department of Education. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

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

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

In evaluating how to define the district, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basis -- but not the only -- criterion for including a potential component unit in the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involved considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2011

**Note 1. Summary of Significant Accounting Policies (continued)**

**B. Fund Accounting**

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

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

Funds are classified into three categories: Governmental, Proprietary and Fiduciary. Each category, in turn, is divided into separate "fund types."

**Governmental Fund Types**

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

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

**Special Revenue Fund** - The special revenue fund of the District consists of the Building Fund and Child Nutrition Fund.

**Building 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.

**Child Nutrition Fund** - The Child Nutrition Fund consists of monies collected from meals served to students and employees of the District and is expended on food, supplies and salaries.



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2011

**Note 1. Summary of Significant Accounting Policies (continued)**

**B. Fund Accounting (continued)**

**Debt Service Fund** - 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 earning 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 Types**

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (Enterprise Funds) or to other departments or agencies primarily within the District (internal service fund).

**Fiduciary Fund Types**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. 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 principle. 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 Schools Athletics and Activities Fund which is used to account for monies collected principally through fundraising efforts and athletic events 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.

**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.



**VANOSS PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-9**  
**PONTOTOC COUNTY, OKLAHOMA**  
Notes to Financial Statements  
June 30, 2011

**Note 1. Summary of Significant Accounting Policies (continued)**

**B. Fund Accounting (continued)**

**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.

**General Fixed Asset Account Group** - This account group is used to account for property, plant and equipment of the school district.

**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. Interfund eliminations have not been made in the aggregation of this data.

**C. Basis of Accounting**

The District prepares its basic 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 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 (OSDE) as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and 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.



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**  
Notes to Financial Statements  
June 30, 2011

**Note 1. Summary of Significant Accounting Policies (continued)**

**C. Basis of Accounting (continued)**

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

**D. Encumbrance Accounting**

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Encumbrances outstanding at June 30, 2011 that were provided for in the subsequent year's budget are:

General Fund	\$	-
Special Revenue Fund – Food Service		-
		<hr style="border: 0.5px solid black;"/>
Total	\$	<hr style="border: 1px solid black;"/>

**E. Budgets and Budgetary Accounting**

A budget is legally adopted by the Board of Education for the General Fund and Special Revenue 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 District.

**F. Assets, Liabilities and Fund Balance**

**Cash and Cash Equivalents** - For purposes of the statement of cash flows, 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 the purchase of Certificates of Deposit. All investments are recorded at cost.



**VANOSS PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-9**  
**PONTOTOC COUNTY, OKLAHOMA**  
Notes to Financial Statements  
June 30, 2011

**Note 1. Summary of Significant Accounting Policies (continued)**

**F. Assets, Liabilities and Fund Balance (continued)**

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

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

**Compensated Absences** - The school does not calculate a dollar value of compensated absences. The amount is paid each year to the employees.

**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.

**Due to Activity Groups** - Due to Activity Groups represent the funds received from school related groups and organizations over which the board of education exercises control. These funds are credited to the account maintained by the District for the benefit of the group or organization.

**Reserved for Debt Service** - The balance of the sinking fund is restricted by Oklahoma Statutes to be used only for paying of the principal and interest on bonds and judgments (to the extent of all outstanding obligations of the District). Any balance in excess of the outstanding obligations is shown as Cash Fund Balance.

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

**G. Revenue, Expenses and Expenditures**

**Local Sources** - Revenues from local sources is the money generated from within the District's boundaries. It includes ad valorem tax, interest income, tuition, fees, rentals, disposals, commissions and reimbursements.

**Intermediate Sources** - Revenues from intermediate sources are monies collected by an intermediate administrative unit (i.e. county government) between the District and the state levels, and distributed to the District in amounts that are different than the proportion collected within the District's boundaries.



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Notes to Financial Statements  
June 30, 2011

**Note 1. Summary of Significant Accounting Policies (continued)**

**G. Revenue, Expenses and Expenditures (continued)**

**State Sources** - 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 revenues 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 programs. The State Department of Education requires that categorical educational program revenue be accounted for in the general fund.

**Federal Sources** - Revenues from federal sources are monies received from the federal government in the form of grants or entitlements (either directly or passed through another entity). A grant is monies received which must be spent for a specific purpose or activity. An entitlement is an amount given to the District based upon an allocation formula.

**Instruction Expenditures** - Instruction expenditures include the activities dealing directly with the interaction between teachers and students.

**Support Services Expenditures** - Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction.

**Operation of Non-Instructional Services Expenditures** - This expenditures category consists of activities which provide non-instructional services to students, staff or the community.

**Capital Outlays** - This expenditure category consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2011

**Note 1. Summary of Significant Accounting Policies (continued)**

**G. Revenue, Expenses and Expenditures (continued)**

**Other Outlays** - This category is for items not properly classified as expenditures, but which still require budgetary or accounting control

**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.

**H. Statement of Cash Flows**

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

**I. Use of Estimates**

The preparation of financial statements 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 that reporting period. Actual results could differ from those estimates.

**Note 2. Property Taxes**

The District's ad valorem property tax is levied each October 1 on the assessed value listed for all real, business personal and public service property located in the District. The assessed value of the certified roll, upon which the levy for the 2010 fiscal year was based, was \$8,495,079. On February 13, 2001, voters of the school district voted to make all current support levies permanent.

**Note 3. 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 and savings accounts of and bank and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by Federal Deposit Insurance.



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2011

**Note 3. Cash and Investments (continued)**

In accordance with state statutes, the district's investment policy as follows:

It shall be the policy of the Vanoss Board of Education to invest all available money from the General, Building, and Sinking funds. The investments shall be made in conformity with all existing state laws. Use of local financial institutions will be encouraged.

Credit Risk is the risk that an issuer or other counter part to an investment will not fulfill its obligation. Generally, the school's investments are managed under the custody of the school's treasurer. Investing is performed in accordance with the school's investment policy as described above. As of June 30, 2011 the school's investments were deposited in local banks in bank accounts and certificates of deposits. These deposits are in three banks and are entirely insured by the FDIC up to its limits, with the individual banks pledging securities for the deposits in excess of the FDIC limits. As such at June 30, 2011 the school was not subject to custodial credit risk. However, the school is subject to concentration of Credit Risk since each bank has deposits in excess of five percent of the school's total investments.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods of time are subject to increased risk of adverse interest rate changes. The School's policy provides that to the extent practicable, investments are matched with anticipated cash flows. The school's investments are held in bank accounts and certificates of deposits which are short term to minimize Interest Rate Risk to as low of level as possible.

The District's investments are in various financial institutions as follows:

	Bank Balance	Pledged Collateral	FDIC Insurance
Bank First – Stratford, OK	\$ 2,380,854	\$ -	2,380,854
Vision Bank – Ada	200,000	-	250,000
Total Deposits	\$ 2,580,854	\$ -	

**Note 4. General Long-Term Debt**

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without the approval by the District voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 10 years from the date of issue. Debt service requirements for bonds are payable solely from fund balance and



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2011

**Note 4. General Long-Term Debt (continued)**

future revenues of the debt service fund.

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

<u>Obligation</u>	<u>Balance Outstanding 6-30-10</u>	<u>Issued (Retired) During Year</u>	<u>Balance Outstanding 6-30-11</u>
2009 GO Bonds	\$ 395,000	\$ 130,000	\$ 265,000
Totals	<u>\$ 395,000</u>	<u>\$ 130,000</u>	<u>\$ 265,000</u>

The annual requirements to retire general obligations bonds as of June 30, 2011 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 130,000	8,615	138,615
2013	<u>135,000</u>	<u>4,455</u>	<u>139,455</u>
Totals	<u>\$ 265,000</u>	<u>\$ 13,070</u>	<u>\$ 278,070</u>

**Note 5. Employee Retirement System**

Plan Description - The District participates in the Oklahoma Teachers' Retirement Plan, a cost-sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the board of trustees of the Oklahoma Teacher's Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action.



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2011

**Note 5. Employee Retirement System (continued)**

The Oklahoma Teacher's 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 Teacher's Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, OK 73152 or by calling (405)521-2387. Funding Policy - The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statute. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7% of compensation. The District is required by statute to contribute 9.5%. The District is required to match the retirement paid on salaries paid with federal funds.

**Note 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 District expects such amounts, if any, to be immaterial.

**Note 7. Subsequent Events**

There have been no subsequent events that would have a material adverse effect on the financial condition of the District.

**Note 8. Risk Management**

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.



**VANOSS PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-9**  
**PONTOTOC COUNTY, OKLAHOMA**  
Notes to Financial Statements  
June 30, 2011

**Note 9      Surety Bonds**

The District has a Public School System Activity Fund Custodian Bond with Western Surety Company. It covers the Activity Fund Custodian for the sum of \$25,000.00 and it is for the term July 19, 2010 to July 19, 2011.

The treasurer is bonded by Western Surety Company for the sum of \$2,000,000 for the term January 1, 2011 to January 1, 2012.

The minute clerk/encumbrance clerk is bonded by Western Surety Company, for the sum of \$1,000.00 for the term, of January 10, 2011 to December 31, 2011.

The superintendent is bonded by Western Surety Company for the sum of \$100,000 from July 10, 2010 to July 10, 2011.



COMBINING FINANCIAL STATEMENTS



**VANOSS PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-9**  
**PONTOTOC COUNTY, OKLAHOMA**  
Combining Statement of Assets, Liabilities and Cash Fund Balances  
All Special Revenue Funds - Regulatory Basis  
June 30, 2011

	<u>Building Fund</u>	<u>Child Nutrition Program Fund</u>	<u>Total (Memorandum Only)</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 126,455	\$ 148,725	\$ 275,180
TOTAL ASSETS	<u>\$ 126,455</u>	<u>\$ 148,725</u>	<u>\$ 275,180</u>
 <u>LIABILITIES:</u>			
Outstanding Warrants	\$ 16,607	\$ 18,108	\$ 34,715
Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>16,607</u>	<u>18,108</u>	<u>34,715</u>
 <u>FUND BALANCE:</u>			
Fund Balances	<u>109,848</u>	<u>130,617</u>	<u>240,465</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 126,455</u>	<u>\$ 148,725</u>	<u>\$ 275,180</u>



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Combining Statement of Revenues Collected, Expenditures Paid  
And Changes in Fund Balances - All Special Revenue Funds - Regulatory Basis  
June 30, 2011

	Building Fund	Child Nutrition Program Fund	Total (Memorandum Only)
<b><u>REVENUES COLLECTED:</u></b>			
District Sources of Revenue	\$ 45,745	\$ 49,932	\$ 95,677
State Sources of Revenue	-	4,778	4,778
Federal Sources of Revenue	-	208,764	208,764
TOTAL REVENUE COLLECTED	45,745	263,474	309,219
<b><u>EXPENDITURES:</u></b>			
Instruction	-	-	-
Support Services	-	-	-
Non-Instruction Services	-	273,289	273,289
Capital Outlay	125,781	-	125,781
Other Outlays	-	-	-
TOTAL EXPENDITURES PAID	125,781	273,289	399,070
Excess of Revenues Collected Over (Under) Expenditures Paid	(80,036)	(9,815)	(89,851)
<b><u>OTHER RESOURCES AND USES:</u></b>			
Operating Transfers In	-	-	-
Excess of Revenues and Other Resources Over (Under) Expenditures and Other Uses	(80,036)	(9,815)	(89,851)
FUND BALANCE, BEGINNING OF YEAR	189,884	140,432	330,316
FUND BALANCE, END OF YEAR	\$ 109,848	\$ 130,617	\$ 240,465

**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Combining Statement of Revenues Collected, Expenditures Paid  
And Changes in Fund Balances – Budget and Actual (Regulatory Basis)  
Special Revenue Fund Types  
Year Ended June 30, 2011

	Building Fund		
	Original Budget	Final Budget	Actual
<u>Revenues Collected:</u>			
District Sources of Revenue	\$ 41,008	\$ 41,008	\$ 45,745
State Sources of Revenue	-	-	-
Federal Sources of Revenue	-	-	-
<b>TOTAL REVENUE COLLECTED</b>	<b>41,008</b>	<b>41,008</b>	<b>45,745</b>
 <b>EXPENDITURES</b>			
Instruction	-	-	-
Support Services	-	-	-
Non-Instruction Services	230,892	230,892	125,781
Capital Outlays	-	-	-
Other Outlays	-	-	-
<b>TOTAL EXPENDITURES PAID</b>	<b>230,892</b>	<b>230,892</b>	<b>125,781</b>
 Excess of Revenue Over (Under) Expenditures Paid	 (189,884)	 (189,844)	 (80,036)
 <u>OTHER RESOURCES AND USES:</u>			
Operating Transfers In	-	-	-
 Revenues and Other Resources Over (Under) Expenditures and Other Uses	 (189,884)	 (189,884)	 (80,036)
 FUND BALANCE, BEGINNING OF YEAR	 189,884	 189,884	 189,884
 FUND BALANCE, END OF YEAR	 \$ -	 \$ -	 \$ 109,848

Child Nutritional Fund			Total		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 44,109	\$ 44,109	\$ 49,932	\$ 85,117	\$ 85,117	\$ 95,677
3,863	3,863	4,778	3,863	3,863	4,778
196,875	196,875	208,764	196,875	196,875	208,764
<u>244,847</u>	<u>244,847</u>	<u>263,474</u>	<u>285,855</u>	<u>285,855</u>	<u>309,219</u>
-	-	-	-	-	-
-	-	-	-	-	-
385,279	385,279	273,289	616,171	616,171	399,070
-	-	-	-	-	-
-	-	-	-	-	-
<u>385,279</u>	<u>385,279</u>	<u>273,289</u>	<u>616,171</u>	<u>616,171</u>	<u>399,070</u>
(140,432)	(140,432)	(9,815)	(330,316)	(330,316)	(89,851)
-	-	-	-	-	-
(140,432)	(140,432)	(9,815)	(330,316)	(330,316)	(89,851)
140,432	140,432	140,432	330,316	330,316	330,316
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,617</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,465</u>



**VANOSS PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. 1-9**  
**PONTOTOC COUNTY, OKLAHOMA**  
 Combining Statement of Assets, Liabilities and Fund Balance  
 Activity Funds – Regulatory Basis  
 June 30, 2011

	Activity Fund
<u>ASSETS</u>	
Cash	\$ 61,280
<b>TOTAL ASSETS</b>	<b>\$ 61,280</b>
 <u>LIABILITIES AND FUND BALANCE</u>	
<u>FUND BALANCE:</u>	
Unreserved/Undesignated	\$ 12,096
Student Groups	49,184
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 61,280</b>



**VANOSS PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-9**  
**PONTOTOC COUNTY, OKLAHOMA**  
Combining Statement of Changes in Assets, Liabilities and Fund Balances  
Activity Funds – Regulatory Basis  
Year Ended June 30, 2011

	<u>Balance 7-1-2010</u>	<u>Deposited</u>	<u>Net Transfers</u>	<u>Disbursed</u>	<u>Balance 6-30-2011</u>
<u>ASSETS</u>					
Cash	\$ 53,067	\$ 172,688	\$ -	\$ 164,475	\$ 61,280
<b>TOTAL ASSETS</b>	<b>\$ 53,067</b>	<b>\$ 172,688</b>	<b>\$ -</b>	<b>\$ 164,475</b>	<b>\$ 61,280</b>
<u>FUND BALANCE</u>					
Unreserved/Undesignated	\$ 9,076	\$ 69,578	\$ -	\$ 66,558	\$ 12,096
Designated – Student Groups	43,991	103,110	-	97,917	49,184
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 53,067</b>	<b>\$ 172,688</b>	<b>\$ -</b>	<b>\$ 164,475</b>	<b>\$ 61,280</b>



**VANOSS PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. I-9**  
**PONTOTOC COUNTY, OKLAHOMA**  
Detail of Activity Funds – Regulatory Basis  
Year Ended June 30, 2011

	Balance June 30, 2010	Deposited	Trsansfers	Disbursed	Balance June 30, 2011
Athletics	\$ 9,076	\$ 69,579	\$ -	\$ 66,559	\$ 12,096
Softball	2,054	-	-	1,897	157
Baseball	23	3,729	-	3,703	49
Boys Basketball	50	3,127	-	3,147	30
Girls Basketball	13	-	-	-	13
FFA	6,466	29,647	-	30,045	6,068
Yearbook	7,676	8,679	-	9,497	6,858
Juniors	2,692	11,454	-	11,112	342
Seniors	121	1,151	-	3,910	53
4-H	-	-	-	4,791	444
BPA	800	4,434	-	645	955
ATAE	1,470	130	-	1,018	264
Cheerleading	618	664	-	-	26
FCA	26	-	-	-	-
5th Grade	-	-	-	-	-
6th Grade	-	-	-	-	-
7th Grade	-	-	-	-	-
8th Grade	-	-	-	-	-
9th Grade	-	-	-	-	-
10th Grade	-	-	-	-	-
Lower Elementary	12,127	24,391	220	14,092	22,645
Art	1,189	2,347	-	2,274	1,261
Meadia Center	3,772	5,202	-	3,710	5,264
Booster Club	-	-	(440)	-	-
Upper Elementary	440	381	-	297	571
Science Club	488	2,572	-	2,770	2,567
Student Council	2,765	1,448	-	1,046	606
Academics	205	3,412	-	3,473	445
SIPR	506	-	-	-	79
Choir	79	144	220	399	309
High School	344	200	-	90	177
Native American Club	67	-	-	-	-
	<u>\$ 53,067</u>	<u>\$ 172,688</u>	<u>\$ -</u>	<u>\$ 164,475</u>	<u>\$ 61,280</u>



SUPPORTING SCHEDULES

**VANOSS PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. 1-9**  
**PONTOTOC COUNTY, OKLAHOMA**  
 Schedule of Expenditures of Federal Awards  
 Regulatory Basis  
 Year Ended June 30, 2011

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grantor's Number	Balance of Funds to Expend June 30, 2010
<u>U.S. Department of Educaiton Direct Programs:</u>			
Impact Aid	84.041	46-ok-2011-2703	\$ -
Rural Ed Achievement	84.358A	5041B-2011-4248	-
Indian Education Title IX	84.060A	S060A-01-1092	-
			-
TOTAL U.S. DEPARTMENT OF EDUCATION			-
<u>Passed Through State Department of Education:</u>			
21st Century	84.287	N/A	-
Title I	2	84.010	20,628
Title II - Part A - REAP	84.367	N/A	4
Title II Part D Reap	84.318	N/A	-
ARRA Job Education Fund	1	84.410	-
Indian Education JOM	15.130	N/A	-
ARRA Idea Part B Flow Thru	84.391	N/A	17,694
ARRA Title I Part A	2	84.389	5,281
ARRA EDUCATION STABILIZATION	1	84.394	-
Title II, Part B Math & Science Partnership	84.366	N/A	-
Flow Thru PL IDEA	84.027	N/A	7,659
Pre-School Ages 3-5 IDEA	84.173	N/A	-
			-
TOTAL DEPARTMENT OF EDUCATION			51,267
<u>Passes Through U.S. Department of Agriculture</u>			
Child Nutrition - Lunches	10.555	N/A	-
Child Nutrition - Breakfasts	10.553	N/A	-
TOTAL DEPARTMENT OF AGRICULTURE			-
<u>Passed Through U.S. Department of Human Services:</u>			
Commodity Supplemental Food Program	10.565	N/A	-
TOTAL DEPARTMENT OF HUMAN SERVICES			-
<u>Passed Through State of Oklahoma</u>			
Carl D Perkins	84.048	N/A	-
			-
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 51,267

1 - Clustered Programs  
2 - Clustered Program

Receipts For Prior Year Expenditures	Receipts For Current Year Expenditures	Current Year Expenditures	Balance of Funds to Expend June 30, 2011
\$ -	\$ 128,135	\$ 128,135	\$ -
-	32,217	32,217	-
-	45,992	45,992	-
-	-	-	-
-	<u>206,344</u>	<u>206,344</u>	-
34,690	69,844	69,949	20,051
-	165,386	171,069	4,150
-	24,620	24,620	172
-	515	515	-
-	111,466	111,466	-
7,290	-	7,752	-
-	17,694	17,694	-
-	5,281	5,281	-
-	130,586	130,586	-
-	-	54,667	189,172
-	124,423	122,675	5,623
-	3,048	3,048	-
-	-	-	-
<u>41,980</u>	<u>652,863</u>	<u>719,322</u>	<u>219,168</u>
-	139,165	139,165	-
-	55,164	55,164	-
-	<u>194,329</u>	<u>194,329</u>	-
-	14,435	14,435	-
-	<u>14,435</u>	<u>14,435</u>	-
8,252	-	7,479	-
<u>\$ 50,232</u>	<u>\$ 1,067,971</u>	<u>\$ 1,141,908</u>	<u>\$ 219,168</u>



**VANOSS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. I-9  
PONTOTOC COUNTY, OKLAHOMA**

Notes to Schedule of Expenditures of Federal Awards - Regulatory Basis  
Year Ended June 30, 2011

**Note 1:** The accompanying schedule of expenditures of federal awards includes the federal grant expenditures of Vanoss Public Schools, I-9, Pontotoc County, Oklahoma and is presented on the regulatory basis of accounting prescribed by the Oklahoma State Department of Education. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

No amounts were passed through to a subrecipient.



SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT







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



**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 Board of Education  
Vanoss Independent School District Number I-9  
Vanoss, Pontotoc County, Oklahoma

We have audited the financial statements of Vanoss Independent School District No. I-9, Pontotoc County, Oklahoma as of and for the year ended June 30, 2011, and have issued our report thereon dated August 1, 2011. As stated in our report, the 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. 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 Vanoss Independent School District'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 Vanoss Independent School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course or performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a significant 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.

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.

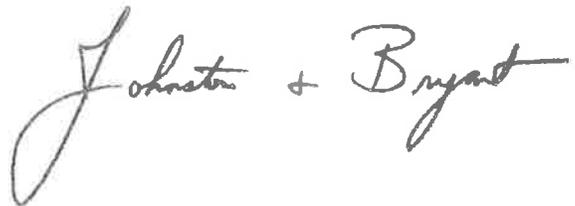


**Compliance And Other Matters**

As part of obtaining reasonable assurance about whether Vanoss Independent 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.

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

August 1, 2011

A handwritten signature in black ink, reading "Johnston + Bryant". The signature is written in a cursive style with a large initial "J" and "B".



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



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

The Board of Education  
Vanoss Independent School District Number I-9  
Vanoss, Pontotoc County, Oklahoma

**Compliance**

We have audited the compliance of Vanoss Independent School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2011. Vanoss Independent School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Vanoss Independent School District's management. Our responsibility is to express an opinion on Vanoss Independent School District's compliance 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 Vanoss Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Vanoss Independent School District's compliance with those requirements.

In our opinion, Vanoss Independent School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.



**Internal Control Over Compliance**

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

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

August 1, 2011

A handwritten signature in cursive script that reads "Johnston + Bryant". The signature is written in dark ink and is positioned to the right of the date.



SCHEDULE OF FINDINGS AND QUESTIONED COSTS



**VANOSS PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. 1-9**  
**PONTOTOC COUNTY, OKLAHOMA**  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2011

Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued: Qualified

Internal Control over financial reporting

Material weaknesses identified?  Yes  No

Reportable conditions identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major programs: Unqualified

Material weaknesses identified?  Yes  No

Reportable conditions identified that are not considered to be material weaknesses?  Yes  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 section 510 (a) of Circular A-133?  Yes  No

Findings and Questioned Costs for Federal Awards  Yes  None Noted

Identification of Major Programs:

<u>CFDA</u>	<u>Name of Federal Program</u>
<u>Number</u>	
84.010	Title I
84.394	ARRA –Education Stabilization
84.389	ARRA-Title 1-Part A
84.410	ARRA – Education Jobs Fund

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?  Yes  No



**VANOSS PUBLIC SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. 1-9**  
**PONTOTOC COUNTY, OKLAHOMA**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2011

Status of Prior Year Findings

None.

Current Year Audit Findings

None

