REPORT OF AUDIT

VICI SCHOOL DISTRICT #I–5

DEWEY COUNTY – OKLAHOMA

JULY 1, 2014 TO JUNE 30, 2015

VICI SCHOOL DISTRICT #I-5
DEWEY COUNTY – OKLAHOMA
JULY 1, 2014 TO JUNE 30, 2015

OFFICERS

KIM WHITE	PRESIDENT
TRACY BORDEN	VICE-PRESIDENT
JUSTIN MORRIS	CLERK
TROY GUTHRIE	MEMBER
ELWIN RANDALL	MEMBER
CINDY ARNOLD	TREASURER
COBY NELSON	SUPERINTENDENT

AUDIT BY

PATRICK W. CARROLL
CERTIFIED PUBLIC ACCOUNTANT

CERTIFICATE #4081

VICI SCHOOL DISTRICT #I-5
DEWEY COUNTY – OKLAHOMA
JULY 1, 2014 TO JUNE 30, 2015

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VICI SCHOOL DISTRICT #I-5
DEWEY COUNTY – OKLAHOMA
JULY 1, 2014 TO JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Vici School District #I-5
Dewey County, Oklahoma

I have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Vici School District #I-5, Dewey County, Oklahoma, as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education as described in Note 1, to meet the financial reporting requirements of the State of Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse and qualified audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 1 to the financial statements, to meet the financial reporting requirements of the Oklahoma State Department of Education, the financial statements are prepared by Vici School District #I-5, Dewey County, Oklahoma on the basis of the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to in the first paragraph, do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2015, or the revenues, expenses, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting
The financial statements referred to above do not include the general fixed asset account group, which is a departure from the regulatory basis of accounting prescribed or permitted by the Oklahoma State Department of Education noted above. The amount that should be recorded in the general fixed asset account group is not known.

Qualified Opinion on Regulatory Basis of Accounting
In my opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions of each fund type and account group of the District as of June 30, 2015, and the revenues collected and expenditures paid and encumbered for the year then ended, on the regulatory basis of accounting described in Note 1.

Other Matters
Other Information

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 statements-regulatory basis and other schedules as listed in the table of contents, under other supplementary information, are presented for purposes of additional analysis and are not a required part of the combined financial statements of the District.

This other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting records used to prepare the combined financial statements. Such 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 certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the other supplementary information is fairly stated 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.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, I have also issued my report dated April 11, 2016, on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sincerely,

Chas. W. Carroll, P.A.
April 11, 2016

Vici School District No.I-005, Dewey County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Fund Types and Account Groups
June 30, 2015

EXHIBIT A

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Total (Memorandum Only)
ASSETS	**General**	**Special Revenue**	**Debt Service**	**Capital Projects**	**Trust and Agency**	**General Long-Term Debt**	**June 30, 2015**
Cash and Cash Equivalents	$ 473,495	$ 18,933	$ 2,125	$ 162,665	$ 157,499	$ 0	$ 814,717
Investments	1,200,000	373,000	50,000	0	0	0	1,623,000
Amounts Available in Debt Service Fund	0	0	0	0	0	52,125	52,125
Amounts to be Provided for Retirement of General Long-Term Debt	0	0	0	0	0	297,875	297,875
Amounts to be Provided For Capitalized Lease Agreements	0	0	0	0	0	0	0
Total Assets	$ 1,673,495	$ 391,933	$ 52,125	$ 162,665	$ 157,499	$ 350,000	$ 2,787,717
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants Payable	$ 249,688	$ 3,868	$ 0	$ 77,561	$ 4,160	$ 0	$ 335,277
Reserve for Encumbrances	109,116	2,602	0	85,104	0	0	196,822
Due to Activity Groups	0	0	0	0	153,338	0	153,338
General Obligation Bonds Payable	0	0	0	0	0	350,000	350,000
Capitalized Lease Obligations Payable	0	0	0	0	0	0	0
Total Liabilities	$ 358,804	$ 6,470	$ 0	$ 162,665	$ 157,499	$ 350,000	$ 1,035,438
Fund Balances:							
Restricted For:							
Debt Service	$ 0	$ 0	$ 52,125	$ 0	$ 0	$ 0	$ 52,125
Capital Projects	0	0	0	0	0	0	0
Building Programs	0	354,289	0	0	0	0	354,289
Child Nutrion Programs	0	31,174	0	0	0	0	31,174
Unassigned	1,314,691	0	0	0	0	0	1,314,691
Total Fund Balances	$ 1,314,691	$ 385,463	$ 52,125	$ 0	$ 0	$ 0	$ 1,752,279
Total Liabilities and Fund Balances	$ 1,673,495	$ 391,933	$ 52,125	$ 162,665	$ 157,499	$ 350,000	$ 2,787,717

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

Vici School District No.I-005, Dewey County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - All Governmental Fund Types
For the Year Ended June 30, 2015

EXHIBIT B

	Governmental Fund Types				Totals (Memorandum Only)
	General	**Special Revenue**	**Debt Service**	**Capital Projects**	**June 30, 2015**
Revenue Collected:					
Local Sources	$ 784,064	$ 179,313	$ 160,002	$ 104	$ 1,123,484
Intermediate Sources	179,481	0	0	0	179,481
State Sources	2,068,307	2,674	34	0	2,071,016
Federal Sources	69,111	84,960	0	0	154,071
Non-Revenue Receipts	202	2,082	0	0	2,283
Total Revenue Collected	$ 3,101,165	$ 269,029	$ 160,037	$ 104	$ 3,530,335
Expenditures Paid:					
Instruction	$ 1,804,121	$ 0	$ 0	$ 0	$ 1,804,121
Support Services	1,408,344	2,602	0	162,665	1,573,611
Operation of Non-Instructional Services	0	203,196	0	0	203,196
Facilities Acquisition and Construction	9,250	28,295	0	0	37,545
Other Outlays	0	0	0	0	0
Other Uses	0	0	0	0	0
Repayments	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	200,000	0	200,000
Interest and Fiscal Agent Fees	0	0	4,450	0	4,450
Total Expenditures Paid	$ 3,221,714	$ 234,093	$ 204,450	$ 162,665	$ 3,822,922
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	$ (120,549)	$ 34,936	$ (44,413)	$ (162,561)	$ (292,588)
Adjustments to Prior Year Encumbrances	$ 4,314	$ 0	$ 0	$ 0	$ 4,314
Other Financing Sources (Uses):					
Estopped Warrants	$ 9	$ 294	$ 0	$ 0	$ 303
Bond Proceeds	0	0	0	150,000	150,000
Transfers In	0	0	0	0	0
Transfers Out	(202)	(2,234)	0	0	(2,435)
Total Other Financing Sources (Uses)	$ (193)	$ (1,939)	$ 0	$ 150,000	$ 147,868
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	$ (116,429)	$ 32,997	$ (44,413)	$ (12,561)	$ (140,407)
Fund Balance - Beginning of Year	1,431,120	352,466	96,538	12,561	1,892,685
Fund Balance - End of Year	$ 1,314,691	$ 385,463	$ 52,125	$ 0	$ 1,752,279

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

Vici School District No.I-005, Dewey County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances
Budget and Actual - Regulatory Basis - Budgeted Governmental Fund Types
For the Year Ended June 30, 2015

EXHIBIT C

	General Fund			Special Revenue Funds			Debt Service Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:									
Local Sources	$ 662,278	$ 662,278	$ 784,064	$ 148,131	$ 148,131	$ 179,313	$ 148,187	$ 148,187	$ 160,037
Intermediate Sources	189,462	189,462	179,481	0	0	0	0	0	0
State Sources	2,058,299	2,058,299	2,068,307	2,513	2,513	2,674	0	0	0
Federal Sources	100,346	100,346	69,111	77,606	77,606	84,960	0	0	0
Non-Revenue Receipts	0	0	202	0	0	2,082	0	0	0
Total Revenue Collected	$ 3,010,385	$ 3,010,385	$ 3,101,165	$ 228,250	$ 228,250	$ 269,029	$ 148,187	$ 148,187	$ 160,037
Expenditures Paid:									
Instruction	$ 2,172,809	$ 2,172,809	$ 1,804,121	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Support Services	2,259,443	2,259,443	1,408,344	157,600	157,600	2,602	0	0	0
Operation of Non-Instructional Services	0	0	0	210,841	210,841	203,196	0	0	0
Facilities Acquisition and Construction	9,250	9,250	9,250	210,055	210,055	28,295	0	0	0
Other Outlays	0	0	0	0	0	0	244,725	244,725	204,450
Other Uses	0	0	0	0	0	0	0	0	0
Repayments	0	0	0	0	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0	0	0	0	0
Total Expenditures Paid	$ 4,441,503	$ 4,441,503	$ 3,221,714	$ 578,497	$ 578,497	$ 234,093	$ 244,725	$ 244,725	$ 204,450
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	$ (1,431,118)	$ (1,431,118)	$ (120,549)	$ (350,246)	$ (350,246)	$ 34,936	$ (96,538)	$ (96,538)	$ (44,413)
Adjustments to Prior Year Encumbrances	$ 0	$ 0	$ 4,314	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Financing Sources (Uses):									
Estopped Warrants	$ 0	$ 0	$ 9	$ 0	$ 0	$ 294	$ 0	$ 0	$ 0
Transfers In	0	0	0	180	180	0	0	0	0
Transfers Out	(2)	(2)	(202)	(2,400)	(2,400)	(2,234)	0	0	0
Total Other Financing Sources (Uses)	$ (2)	$ (2)	$ (193)	$ (2,220)	$ (2,220)	$ (1,939)	$ 0	$ 0	$ 0
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	$ (1,431,120)	$ (1,431,120)	$ (116,429)	$ (352,466)	$ (352,466)	$ 32,997	$ (96,538)	$ (96,538)	$ (44,413)
Fund Balance - Beginning of Year	1,431,120	1,431,120	1,431,120	352,466	352,466	352,466	96,538	96,538	96,538
Fund Balance - End of Year	$ (0)	$ (0)	$ 1,314,691	$ 0	$ 0	$ 385,463	$ 0	$ 0	$ 52,125

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

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

The financial statements of the Vici School District #I-5 have been prepared in conformity with another comprehensive basis of accounting required by Oklahoma Statutes. 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 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 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 re-porting entity.

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

Fund Description

The following funds are utilized by the Vici School District #I-5.

Governmental Fund Types -	Fiduciary Fund Types –
General Fund	Agency Fund
Special Revenue Funds	
Capital Project Funds	

Governmental Fund Types
Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of 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 which includes the Child Nutrition Program.

Special Revenue Funds – The Special Revenue Funds are the District's Building Fund and Child Nutrition Fund. The Building Fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment. The Child Nutrition Fund derives monies from the sale of foods and federal and state program reimbursements. Expenditures include costs associated with the daily operations of the District's nutrition program.

Capital Project Funds - The Capital Project 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.

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 principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

Agency Fund – The Agency Fund is the school Activity Fund which is used to account for monies collected principally through fundraising efforts of the students and District-sponsored groups. The administration is responsible, under the authority of the Board, 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.

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 and Presentation
The District 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.

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

A budget is legally adopted by the Board of Education for 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 District.

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

F. 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, 2015 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 District 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 District has elected not to present a liability for compensated absences.

Operating Leases
The District has elected not to present a liability for operating leases. All operating leases contain a mutual ratification clause for both parties; therefore, the District 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.

General Long-Term Debt
State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue. General long-term debt of the District consists of bonds payable. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

A principal and interest repayment schedule of the outstanding general obligation bond issues at June 30, 2015 is set forth below:

$400,000.00 Transportation Equipment Bonds of 2012

Payment Date	Principal	Rate	Interest	Total
1 Nov 15	0.00		1,275.00	1,275.00
1 May 16	100,000.00	0.750%	1,275.00	101,275.00
1 Nov 16	0.00		900.00	900.00
1 May 17	100,000.00	0.900%	900.00	100,900.00
	$200,000.00		$4,350.00	$204,350.00

$150,000.00 Combined Purpose Bonds of June 2015

Payment Date	Principal	Rate	Interest	Total
1 June 16	$ 0.00		$ 1,875.00	$ 1,875.00
1 Dec 16	0.00		937.50	937.50
1 June 17	150,000.00	1.250%	937.50	150,937.50
	$ 150,000.00		$ 3,750.00	$ 153,750.00

General Long-Term Debt (continued)

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

Safeguard of Deposits and Investments
The District's investments policies are governed by state statute. Permissible investments include direct obligations of the United Sates Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. The District Treasurer and Activity Fund Custodians are responsible for maintaining adequate coverage of all funds on deposit through security pledges approved by the Treasurer of the State of Oklahoma.

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

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

	Category			
	(A)	(B)	(C)	Bank Balance
Cash and cash equivalents	$ 250,000.00	$ 2,187,717.00	$ 0.00	$ 2,437,717.00
Investments	0.00	0.00	0.00	0.00
Total	$ 250,000.00	$ 2,187,717.00	$ 0.00	$ 2,437,717.00

G. 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 districts based on information accumulated from the districts.

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

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue 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.

Property Tax Revenue

The District is authorized by state law to levy property taxes which consists of ad valorem taxes on real and personal property within the District. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of the taxes are due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

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

The School also participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with professional standards, the School reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to them during the plan year. As a member of OSAG, the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the schools losses for the last five years. OSAG provides coverage in excess of the Loss Fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use their loss fund in three years, it is returned to them with no interest.

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

Surety Bonds

District and Activity
The District maintains an Oklahoma Public Employees Name Schedule Bond with the Western Surety Company. The bond number is 69740897, dated July 1, 2014 to July 1, 2015. The positions covered are as follows:

Becky Jennings	Encumbrance & Minutes Clerk	$ 16,000.00
Cindy Arnold	Treasurer/Activity & Lunch Custodian	110,000.00
Coby Nelson	Superintendent	100,000.00

3. Employee Retirement System

The District participates in the state-administered Oklahoma Teachers' Retirement System (the "System"), which is a cost-sharing, multiple-employer public employee retirement system (PERS). Under the System, contributions are made by the District, the State of Oklahoma, and the participating employees. 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 District has no responsibility or authority for the operation and administration of the System nor has it any liability, except for the current contribution requirements.

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 of $18,000.00, and 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 2014-15 contribution rates for the Districts, 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 District is required by statute to contribute 9.5% of applicable compensation for the year ended June 30, 2015. An additional 8% of compensation is required for federal grants. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. The required contribution for participating member is 7% up to a maximum compensation level.

The total contributions for employees of Vici School District #I-5 covered by the System for the year 2015, 2014 and 2013 were $305,256.62, $273.093.04 and $244,550.38 respectively.

3. Employee Retirement System (continued)

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 districts. The non-funded pension benefit obligation of the System as determined as part of the latest actuarial valuation dated June 30, 2014, is as follows:

Total pension obligation	$19,575,551,730
Net assets available for benefits, at cost	12,368,960,848
Non-funded pension benefit obligation	$ 7,206,590,882

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, 2014. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they come due.

4. Subsequent Events

Management has evaluated subsequent events through April 11, 2015, which is the date the financial statements were available to be issued.

Vici School District No.I-005, Dewey County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Special Revenue Funds
June 30, 2015

SCHEDULE A-1

ASSETS	**Building Fund**	**Child Nutrition Fund**	**Total June 30, 2015**
Cash and Cash Equivalents	$ 8,890	$ 10,043	$ 18,933
Investments	348,000	25,000	373,000
Total Assets	$ 356,890	$ 35,043	$ 391,933
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants Payable	$ 0	$ 3,868	$ 3,868
Reserve for Encumbrances	2,602	0	2,602
Total Liabilities	$ 2,602	$ 3,868	$ 6,470
Fund Balances:			
Restricted	$ 354,289	$ 31,174	$ 385,463
Total Fund Balances	$ 354,289	$ 31,174	$ 385,463
Total Liabilities and Fund Balances	$ 356,890	$ 35,043	$ 391,933

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

Vici School District No.I-005, Dewey County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Capital Project Funds
June 30, 2015

SCHEDULE A-2

ASSETS	**Building Bond Fund#36**	**Transportation Bond Fund#35**	**Building Bond Fund#34**	**Total June 30, 2015**
Cash and Cash Equivalents	$ 85,104	$ 65,000	$ 12,561	$ 162,665
Investments	0	0	0	0
Total Assets	$ 85,104	$ 65,000	$ 12,561	$ 162,665
LIABILITIES AND FUND BALANCES				
Liabilities:				
Warrants Payable	$ 0	$ 65,000	$ 12,561	$ 77,561
Reserve for Encumbrances	85,104	0	0	85,104
Total Liabilities	$ 85,104	$ 65,000	$ 12,561	$ 162,665
Fund Balances:				
Restricted	$ 0	$ 0	$ 0	$ 0
Total Fund Balances	$ 0	$ 0	$ 0	$ 0
Total Liabilities and Fund Balances	$ 85,104	$ 65,000	$ 12,561	$ 162,665

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

Vici School District No.I-005, Dewey County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - Special Revenue Funds
For the Year Ended June 30, 2015

SCHEDULE B-1

	Building Fund	Child Nutrition Fund	Total June 30, 2015
Revenue Collected:			
Local Sources	$ 108,344	$ 70,969	$ 179,313
Intermediate Sources	0	0	0
State Sources	23	2,651	2,674
Federal Sources	0	84,960	84,960
Non-Revenue Receipts	0	2,082	2,082
Total Revenue Collected	$ 108,367	$ 160,662	$ 269,029
Expenditures Paid:			
Instruction	$ 0	$ 0	$ 0
Support Services	2,602	0	2,602
Operation of Non-Instructional Services	0	203,196	203,196
Facilities Acquisition and Construction	28,295	0	28,295
Other Outlays	0	0	0
Other Uses	0	0	0
Repayments	0	0	0
Interest Paid and Bank Charges	0	0	0
Total Expenditures Paid	$ 30,897	$ 203,196	$ 234,093
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	$ 77,470	$ (42,534)	$ 34,936
Adjustments to Prior Year Encumbrances	$ 0	$ 0	$ 0
Other Financing Sources (Uses):			
Estopped Warrants	$ 0	$ 294	$ 294
Transfers In	0	0	0
Transfers Out	0	(2,234)	(2,234)
Total Other Financing Sources (Uses)	$ 0	$ (1,939)	$ (1,939)
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	$ 77,470	$ (44,474)	$ 32,997
Fund Balance - Beginning of Year	276,818	75,648	352,466
Fund Balance - End of Year	$ 354,289	$ 31,174	$ 385,463

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

Vici School District No.I-005, Dewey County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - Capital Project Funds
For the Year Ended June 30, 2015

SCHEDULE B-2

	Building Bond Fund#36	Transportation Bond Fund#35	Building Bond Fund#34	Total June 30, 2015
Revenue Collected:				
Local Sources	$ 104	$ 0	$ 0	$ 104
Intermediate Sources	0	0	0	0
State Sources	0	0	0	0
Federal Sources	0	0	0	0
Non-Revenue Receipts	85,000	65,000	0	150,000
Total Revenue Collected	$ 85,104	$ 65,000	$ 0	$ 150,104
Expenditures Paid:				
Instruction	$ 0	$ 0	$ 0	$ 0
Support Services	85,104	65,000	12,561	162,665
Operation of Non-Instructional Services	0	0	0	0
Facilities Acquisition and Construction	0	0	0	0
Other Outlays	0	0	0	0
Other Uses	0	0	0	0
Repayments	0	0	0	0
Interest Paid and Bank Charges	0	0	0	0
Total Expenditures Paid	$ 85,104	$ 65,000	$ 12,561	$ 162,665
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	$ 0	$ 0	$ (12,561)	$ (12,561)
Adjustments to Prior Year Encumbrances	$ 0	$ 0	$ 0	$ 0
Other Financing Sources (Uses):				
Estopped Warrants	$ 0	$ 0	$ 0	$ 0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 0	$ 0
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	$ 0	$ 0	$ (12,561)	$ (12,561)
Fund Balance - Beginning of Year	0	0	12,561	12,561
Fund Balance - End of Year	$ 0	$ 0	$ 0	$ 0

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

Vici School District No.I-005, Dewey County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Budget and Actual - Regulatory Basis - Special Revenue Funds
For the Year Ended June 30, 2015

SCHEDULE C-1

	Building Fund			Child Nutrition Fund			Total		
	Original Budget	**Final Budget**	**Actual**	**Original Budget**	**Final Budget**	**Actual**	**Original Budget**	**Final Budget**	**Actual**
Revenue Collected:									
Local Sources	$ 90,838	$ 90,838	$ 108,344	$ 57,294	$ 57,294	$ 70,969	$ 148,131	$ 148,131	$ 179,313
Intermediate Sources	0	0	0	0	0	0	0	0	0
State Sources	0	0	23	2,513	2,513	2,651	2,513	2,513	2,674
Federal Sources	0	0	0	77,606	77,606	84,960	77,606	77,606	84,960
Non-Revenue Receipts	0	0	0	0	0	2,082	0	0	2,082
Total Revenue Collected	$ 90,838	$ 90,838	$ 108,367	$ 137,413	$ 137,413	$ 160,662	$ 228,250	$ 228,250	$ 269,029
Expenditures Paid:									
Instruction	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Support Services	157,600	157,600	2,602	0	0	0	157,600	157,600	2,602
Operation of Non-Instructional Services	0	0	0	210,841	210,841	203,196	210,841	210,841	203,196
Facilities Acquisition and Construction	210,055	210,055	28,295	0	0	0	210,055	210,055	28,295
Other Outlays	0	0	0	0	0	0	0	0	0
Other Uses	0	0	0	0	0	0	0	0	0
Repayments	0	0	0	0	0	0	0	0	0
Interest Paid	0	0	0	0	0	0	0	0	0
Total Expenditures Paid	$ 367,656	$ 367,656	$ 30,897	$ 210,841	$ 210,841	$ 203,196	$ 578,497	$ 578,497	$ 234,093
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	$ (276,818)	$ (276,818)	$ 77,470	$ (73,428)	$ (73,428)	$ (42,534)	$ (350,246)	$ (350,246)	$ 34,936
Adjustments to Prior Year Encumbrances	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Financing Sources (Uses):									
Estopped Warrants	$ 0	$ 0	$ 0	$ 0	$ 0	$ 294	$ 0	$ 0	$ 294
Transfers In	0	0	0	180	180	0	180	180	0
Transfers Out	0	0	0	(2,400)	(2,400)	(2,234)	(2,400)	(2,400)	(2,234)
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 0	$ (2,220)	$ (2,220)	$ (1,939)	$ (2,220)	$ (2,220)	$ (1,939)
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	$ (276,818)	$ (276,818)	$ 77,470	$ (75,648)	$ (75,648)	$ (44,474)	$ (352,466)	$ (352,466)	$ 32,997
Fund Balance - Beginning of Year	276,818	276,818	276,818	75,648	75,648	75,648	352,466	352,466	352,466
Fund Balance - End of Year	$ (0)	$ (0)	$ 354,289	$ 0	$ 0	$ 31,174	$ 0	$ 0	$ 385,463

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

VICI SCHOOL DISTRICT #I-5
DEWEY COUNTY - OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
ALLOCATIONS & EXPENDITURES
07/01/14 TO 06/30/15

FEDERAL GRANT OR PASS THROUGH GRANT OR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR' NUMBER	PROGRAM AWARD AMOUNT	REVENUE (ACCRUED) OR DEFERRED JULY 1, 2014	FEDERAL REVENUE RECOGNIZED	FEDERAL DISBURSEMENTS/ EXPENDITURES	REVENUE (ACCRUED) OR DEFERRED JUNE 30, 2015	INDIRECT COST
U.S Department of Education								
Direct Programs -								
Title VI Part B	84.358A	588	$38,180.00	$0.00	$28,184.04	$28,184.04	$0.00	$0.00
Title VII Indian Ed	84.060A	561	6,234.00	0.00	6,234.00	6,234.00	0.00	0.00
Passed Through State Department of Education -								
Title I, Basic	84.010	511	53,101.42	(8,616.59)	25,105.19	49,907.15	(33,418.55)	0.00
Title II Pt A	84.367	541/586	12,668.44	0.00	7,876.95	10,309.71	(2,432.76)	0.00
Passed Through State Department of Rehabilitation -								
School To Work	84.126	456	1,710.92	0.00	1,710.92	1,710.92	0.00	0.00
U.S. Department of Agriculture								
Passed Through State Department of Education -								
Child Nutrition Cluster:								
Non-Cash Assistance(Commodities):								
National School Lunch Program	10.550	N/A	6,288.95	0.00	6,288.95	6,288.95	0.00	0.00
Cash Assistance:								
National School Lunch Program	10.555	763	64,180.86	0.00	64,180.86	64,180.86	0.00	0.00
School Breakfast Program	10.553	764	24,903.28	4,124.24	20,779.04	20,779.04	4,124.24	0.00
Total Cash Assistance				4,124.24	84,959.90	84,959.90	4,124.24	0.00
Child Nutrition Cluster				4,124.24	91,248.85	91,248.85	4,124.24	0.00
TOTAL FEDERAL FINANCIAL ASSISTANCE				($4,492.35)	$160,359.95	$187,594.67	($31,727.07)	$0.00

CONTINUED ON PAGE 2

VICI SCHOOL DISTRICT #I-5
DEWEY COUNTY - OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
ALLOCATIONS & EXPENDITURES
07/01/14 TO 06/30/15

NOTE 1: The Schedule of Expenditures of Federal Awards was prepared using the same accounting policies used in preparing the District's financial statements. The District's policy is to recognize expenditures when encumbered (contracted for) rather than at the time the related fund liability is incurred.

NOTE 2: The District Policy is to expend Child Nutrition Federal, State and Local revenues in that order during each fiscal year. If there are any unexpended Federal or State funds remaining at the end of a fiscal year, those funds will be expended during the next fiscal year prior to the utilization of current year funding.

NOTE 3: The amount shown as received and expended in the Child Nutrition Cluster for Commodities represents a nonmonetary value of the food commodities received from only the 2015 Fiscal Year allocation. Therefore, the total revenues and expenditures do not agree with the financial statements by this amount.

NOTE 4: Indirect Cost Included in total expenditures.

VICI SCHOOL DISTRICT # I-5
DEWEY COUNTY - OKLAHOMA
SCHOOL ACTIVITY FUND
REVENUES, EXPENDITURES, AND BALANCES
07/01/14 TO 06/30/15

SCHEDULE 2-00

ACCOUNT	07/01/14	REVENUES	ADJUSTMENTS	TRANSFERS	EXPENDITURES	06/30/15
CHILD NUTRITION	$0.00	$200.00	$0.00	($200.00)	$0.00	$0.00
CNF PETTY CASH	0.00	0.00	0.00	200.00	200.00	0.00
BPA	7,653.68	11,423.37	0.00		13,473.65	5,603.40
ACADEMIC TEAM	0.00	3,004.21	0.00		2,845.37	158.84
SIRLION CLUB	5.00	0.00	0.00		0.00	5.00
SIRLOIN CLUB INVESTMENT	775.47	1.93	0.00		0.00	777.40
ELEMENTARY	15,569.80	21,878.25	20.00	(300.00)	22,825.69	14,342.36
YEARBOOK	22,500.84	7,190.00	0.00	920.00	4,865.81	25,745.03
JH CHEERLEADERS	544.64	0.00	0.00	(544.64)	0.00	0.00
ATHLETICS	14,452.35	48,913.16	50.00		48,902.74	14,512.77
ATHLETIC BOOSTERS	19,067.29	18,657.00	0.00	257.30	17,442.98	20,538.61
CHEERLEADERS	1,004.19	12,418.00	0.00	544.64	9,760.06	4,206.77
F.F.A.	9,264.19	50,008.91	0.00	(14.16)	57,152.13	2,106.81
SENIOR 4-H CLUB	975.90	100.00	0.00		253.23	822.67
F.C.C.L.A.	261.61	1,998.10	0.00	300.00	2,146.45	413.26
LIBRARY AR REWARD	640.54	1,159.35	0.00	(856.16)	943.73	0.00
LIBRARY	7,040.86	7,169.12	7.40	(63.84)	6,728.63	7,424.91
LIVESTOCK SHOW BOOSTERS	1,124.20	1,060.00	0.00	29,676.63	31,778.94	81.89
MISCELLANEOUS	2,258.04	1,864.09	0.00	(13.84)	2,809.57	1,298.72
MUSIC	2,686.72	12,877.60	0.00	28.00	11,657.96	3,934.36
MUSIC BOOSTERS	19,156.19	6,932.10	0.00		24,692.63	1,395.66
PETTY CASH	0.00	200.00	0.00		200.00	0.00
NATIONAL HONOR SOCIETY	204.20	0.00	0.00		100.00	104.20
STUDENT COUNCIL	6,536.17	7,810.00	0.00	(1,762.17)	5,648.53	6,935.47
SPECIAL ATHLETES FUND	2,472.46	4,448.20	0.00		3,935.18	2,985.48
GIRLS SOFTBALL	1,579.98	11,743.28	0.00	(257.30)	11,421.53	1,644.43
BOYS BASKETBALL	1,606.84	466.65	0.00		909.50	1,163.99
INDUSTRIAL ARTS	210.62	0.00	0.00		0.00	210.62
JUNIOR 4-H CLUB	1,475.61	2,306.02	0.00		3,192.30	589.33

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VICI SCHOOL DISTRICT # I-5
DEWEY COUNTY - OKLAHOMA
SCHOOL ACTIVITY FUND
REVENUES, EXPENDITURES, AND BALANCES
07/01/14 TO 06/30/15

ACCOUNT	07/01/14	REVENUES	ADJUSTMENTS	TRANSFERS	EXPENDITURES	06/30/15
G.A.T.E.	2,072.34	0.00	0.00	1,762.17	3,184.76	649.75
SCHOLARSHIP FUND INVESTMENT	3,213.05	8.02	0.00		0.00	3,221.07
MUSIC BOOSTERS' INVESTMENT	6,631.25	16.59	0.00		0.00	6,647.84
BOYS BASEBALL	5,847.70	18,440.66	0.00		18,262.58	6,025.78
GIRLS BASKETBALL	589.30	4,130.00	0.00		1,924.00	2,795.30
LIVESTOCK BOOSTERS INVESTMENT	8,153.79	30,910.97	0.00	(29,676.63)	0.00	9,388.13
SR 2015 (ARNOLD)	3,109.09	0.00	0.00		1,316.75	1,792.34
SR 2014 (STEWART)	260.15	0.00	0.00		260.15	0.00
SR 2016 (HUGHEN)	2,248.99	3,853.50	0.00		5,262.70	839.79
2017 (WHITE)	659.09	5,735.00	0.00		2,872.75	3,521.34
SR CLASS 2019 (HITCHCOCK)	300.00	160.00	0.00	30.00	0.00	490.00
SR CLASS 2018 (SALISBURY)	410.00	330.00	0.00		0.00	740.00
SR CLASS 2020 (STEWART)	0.00	255.00	0.00	(30.00)	0.00	225.00
TOTALS	$172,562.14	$297,669.08	$77.40	$0.00	$316,970.30	$153,338.32

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

VICI SCHOOL DISTRICT # I-5
DEWEY COUNTY - OKLAHOMA
SCHOOL ACTIVITY FUND
RECONCILIATION STATEMENT
07/01/14 TO 06/30/15

SCHEDULE 2-01

DEPOSITORY	DETAIL	TOTALS
CASH	137,464.33	
INVESTMENT	20,034.44	
TOTAL DEPOSITORY		$157,498.77

FUND		
LEDGER BALANCE	153,338.32	
ADD: 2014-15 OUTSTANDING	4,160.45	
TOTAL DEPOSITORY		$157,498.77

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

VICI SCHOOL DISTRICT # I-5
DEWEY COUNTY - OKLAHOMA
SCHOOL ACTIVITY FUND
CASH STATEMENT
07/01/14 TO 06/30/15

SCHEDULE 2-02

	TOTAL	2014-15	2013-14	2012-13	PRIOR	INVESTMENTS
BEGINNING CASH AND INVESTMENTS	$179,178.27	$153,788.58	$6,616.13	$0.00	$0.00	$18,773.56
REVENUES						
DEPOSITS	297,417.39	267,562.39				29,855.00
INTEREST	251.69	174.68				77.01
REDEPOSITS	0.00	0.00				
CHECKS ESTOPPED	0.00	0.00	0.00			
TOTAL REVENUES	297,669.08	267,737.07	0.00	0.00	0.00	29,932.01
EXPENDITURES						
CHECKS PAID	319,263.08	284,053.22	6,538.73			28,671.13
RET CKS/RET CK CHGS	85.50	85.50				
TOTAL EXPENDITURES	319,348.58	284,138.72	6,538.73	0.00	0.00	28,671.13
ENDING BALANCES	$157,498.77	$137,386.93	$77.40	$0.00	$0.00	$20,034.44

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

VICI SCHOOL DISTRICT #I-5
DEWEY COUNTY – OKLAHOMA
JULY 1, 2014 TO JUNE 30, 2015

SCHEDULE 3-00

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 Vici School District #I-5, Dewey County, Oklahoma, for the audit year 2014-2015.

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

By: Charles W. Carroll

Subscribed and sworn to before me this 11th day of April, 2016.

Pam S. Melvin
Notary Public

PAM S. MELVIN NOTARY PUBLIC #00000728 EXP. 1/29/2020 IN AND FOR STATE OF OKLAHOMA GARFIELD COUNTY

My Commission Expires January 29, 2020

Chas. W. Carroll, P.A.

Independence Tower – Suite 406
302 N. Independence

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

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

The Honorable Board of Education
Vici School District #I-5
Dewey County, Oklahoma

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements-regulatory basis of the Vici School District #I-5, Dewey County, Oklahoma, as listed in the Table of Contents , as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued my report thereon dated April 11, 2016, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, my report was qualified for the omission for general fixed asset account groups with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

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

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

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

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I 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 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 reported to management of the District in a separate letter titled Current Year Audit Exceptions and Recommendations as items B-1, B-2, B-3 and B-4.

Response to Findings
The District's response to the findings identified in my audit is described in the accompanying school's corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

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

Sincerely,

Chas W. Carroll, P.A.

Chas. W. Carroll, P.A.
April 11, 2016

VICI SCHOOL DISTRICT #I-5
DEWEY COUNTY – OKLAHOMA
JULY 1, 2014 TO JUNE 30, 2015

SCHEDULE OF FINDINGS
JUNE 30, 2015

Section 1 – Summary of Auditor's Results

No reportable conditions, either material or immaterial, were noted or brought to my attention during the 2014-15 fiscal year.

DISPOSITION OF PRIOR YEAR FINDINGS
JUNE 30, 2015

No matters were reported.

VICI SCHOOL DISTRICT #I-5
DEWEY COUNTY – OKLAHOMA
JULY 1, 2014 TO JUNE 30, 2015

CURRENT YEAR AUDIT EXCEPTIONS AND RECOMMENDATIONS
JUNE 30, 2015

Specific Administrative Controls

Internal Control

B-1 Employee Bonuses

The District gave employees a bonus during the 2014-15 Fiscal Year. The terms and conditions of the bonus were not addressed in the contracts of employment.

A bonus may be paid to a school employee if paid pursuant to terms, conditions, or provisions of the employment contract.

The District should identify the terms, conditions or goals to be met in employment contracts or through negotiations that will entitle employees to receive bonuses.

B-2 Revenue Posted in Error

The District received accrued interest on the sale of bonds in the amount of $104.17. The interest was posted and expended from Bond Fund #36. Accrued interest on the sale of bonds is to be deposited to the District Sinking Fund to assist in the retirement of the long term debt.

Also, $14,092.02 revenue belonging to the Title VI Sub I Project 588 was posted as Title II Part A Project 541 and reported to OCAS in the same manner.

I recommend the District contact the State Department of Education for reconciliation instruction.

A similar exception was reported in the previous year audit report.

B-3 Administrative Contracts

The District Superintendent received compensation for services provided that were not on the original employment contract. The additional compensation was not forwarded to the State Department of Education.

Any changes in Administrative compensation is to be sent to the State Department of Education as public record.

B-4 Invoice Documentation

During my audit of the District's internal control procedures, I found that in some cases not all invoices and/or sales slips were signed by an authorized person when supplies or materials were purchased. All district funds, including Activity Funds, are to have properly documented invoices, sales slips and/or packing slips attached to each purchase order or requisition and either the invoices, sales slips or packing slips must be signed by an authorized person to insure that materials and services ordered have been received.

I recommend the District Administration review the Policies and Procedures established by the Oklahoma State Department of Education addressing "Purchasing Procedures" and inform all school personnel of its requirements.

VICI SCHOOL DISTRICT #I-5
DEWEY COUNTY – OKLAHOMA
JULY 1, 2014 TO JUNE 30, 2015

PRIOR YEAR AUDIT EXCEPTIONS AND RECOMENDATIONS
JUNE 30, 2015

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".