

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS
WEATHERFORD
INDEPENDENT SCHOOL DISTRICT
NO. 26
CUSTER COUNTY, OKLAHOMA
JUNE 30, 2013**

**WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
JUNE 30, 2013**

TABLE OF CONTENTS

School District Officials

Independent Auditor's Report

Combined Financial Statements

Combined Balance Sheet - Regulatory Basis - All Fund Types and Account Groups	Schedule 1-00
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Regulatory Basis All Governmental Fund Types.....	Schedule 2-00
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Regulatory Basis - Budgeted Governmental Fund Types.....	Schedule 3-00

Notes to Combined Financial Statements

SUPPORTING SCHEDULES

Combining Financial Statements

Combining Statement of Assets, Liabilities and Fund Balances - Regulatory Basis - All Special Revenue Funds	Schedule 4-00
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Regulatory Basis All Special Revenue Funds.....	Schedule 5-00
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Regulatory Basis - All Special Revenue Funds	Schedule 6-00
Combining Statement of Assets, Liabilities and Fund Balances - Regulatory Basis - Capital Project Funds	Schedule 7-00

**WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
JUNE 30, 2013**

TABLE OF CONTENTS, (CONTINUED)

Combining Financial Statements, (Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Regulatory Basis All Capital Projects Funds	Schedule 8-00
Combining Statement of Assets, Liabilities and Fund Balances - Regulatory Basis - Fiduciary Funds.....	Schedule 9-00
Combining Statement of Changes in Assets and Liabilities - Regulatory Basis - All Agency Funds	Schedule 10-00

Supplementary Information

Schedule of Expenditures of Federal Awards.....	Schedule 11-00
---	----------------

Reports on Internal Control and on Compliance

Independent Auditors' 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 Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	

Schedule of Findings and Questioned Costs

Audit Comments

School District's Response to Audit Comments

Schedule of Accountant's Professional Liability Insurance Affidavit

**WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JULY 1, 2012 THROUGH JUNE 30, 2013**

Board of Education

President	Kurt Linstead
Vice-President	Michelle Stephens
Member	Kim Ingram
Member	Scott Selsor
Member	Chip Anderson

School District Treasurer

Renita Morgan

Superintendent of Schools

Matt Holder



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

204 E. FRANKLIN - P.O. BOX 507
WEATHERFORD, OK 73096
580-772-3596
FAX 580-772-3085

BRANCH OFFICE:
106 N. COLLEGE - P.O. BOX 266
CORDELL, OK 73632
580-832-5313
FAX 580-832-5314

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Weatherford Independent School District No. 26
Weatherford, Custer County, Oklahoma

Report on the Financial Statements

We have audited the accompanying fund type and account group financial statements of Weatherford Independent School District No. 26, Oklahoma, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Weatherford Independent School District No. 26, Oklahoma's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education as described in Note 1. 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

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1, Weatherford Independent School District No. 26, Oklahoma, prepares its financial statements in conformity with the accounting and financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The differences between the regulatory basis of accounting and accounting principles generally accepted in the United States of America are also described in Note 1.

As discussed in Note 1, the financial statements referred to above do not include the General Fixed Asset Account Group. The amount that should be recorded in the General Fixed Asset Account Group is not known.

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 our opinion, because of the School's policy to prepare its financial statements on the basis of accounting discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Weatherford Independent School District No. 26, Oklahoma, as of June 30, 2013, or the results of its operations for the year then ended.

Opinion on Regulatory Basis of Accounting

However, in our opinion, except for the omission of the general fixed asset account group as discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraphs, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances arising from regulatory basis transactions of each fund type and account group of Weatherford Independent School District No. 26, Oklahoma, as of June 30, 2013, and the revenues it received and expenditures it paid for the year then ended, on the regulatory basis of accounting described in Note 1.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the fund type and account group financial statements that collectively comprise Weatherford Independent School District No. 26, Oklahoma's basic financial statements. The accompanying supplementary information such as the Combining Financial Statements and Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Financial Statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the financial statements being prepared in compliance with the regulatory basis as prescribed by the Oklahoma State Department of Education as discussed in Note 1, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 11, 2013, on our consideration of Weatherford Independent School District No. 26, Oklahoma'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 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 Weatherford Independent School District No. 26, Oklahoma's internal control over financial reporting and compliance.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL & MILLER
Certified Public Accountants

Weatherford, Oklahoma
October 11, 2013

COMBINED FINANCIAL STATEMENTS

OF

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
 CUSTER COUNTY, OKLAHOMA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS
 June 30, 2013

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<u>ASSETS</u>			
Cash and Investments	\$ 2,991,978.87	\$ 871,846.67	\$ 275,604.95
Amount available in debt service fund	0.00	0.00	0.00
Amount to be provided for retirement of general long-term debt	0.00	0.00	0.00
Total Assets	\$ 2,991,978.87	\$ 871,846.67	\$ 275,604.95
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Warrants payable	\$ 1,136,666.43	\$ 107,799.17	\$ 0.00
Encumbrances	0.00	0.00	0.00
Due to others	0.00	0.00	0.00
General obligation bonds payable	0.00	0.00	0.00
Capital lease payable	0.00	0.00	0.00
Judgments payable	0.00	0.00	0.00
Total Liabilities	1,136,666.43	107,799.17	0.00
Fund Equity:			
Unreserved:			
Designated for capital projects	0.00	0.00	0.00
Designated for debt service	0.00	0.00	275,604.95
Undesignated	1,855,312.44	764,047.50	0.00
Total fund balances	1,855,312.44	764,047.50	275,604.95
Total Liabilities and Fund Balances	\$ 2,991,978.87	\$ 871,846.67	\$ 275,604.95

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

<u>Governmental Fund Types Capital Projects</u>	<u>Fiduciary Fund Types Trust and Agency</u>	<u>Account Group General Long- Term Debt</u>	<u>Total (Memorandum Only - Note 1) 2013</u>
\$ 93,404.36	\$ 607,214.13	\$ 0.00	\$ 4,840,048.98
0.00	0.00	275,604.95	275,604.95
<u>0.00</u>	<u>0.00</u>	<u>10,219,195.05</u>	<u>10,219,195.05</u>
<u>\$ 93,404.36</u>	<u>\$ 607,214.13</u>	<u>\$ 10,494,800.00</u>	<u>\$ 15,334,848.98</u>
\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,244,465.60
0.00	0.00	0.00	0.00
0.00	607,214.13	0.00	607,214.13
0.00	0.00	2,645,000.00	2,645,000.00
0.00	0.00	7,849,800.00	7,849,800.00
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>0.00</u>	<u>607,214.13</u>	<u>10,494,800.00</u>	<u>12,346,479.73</u>
93,404.36	0.00	0.00	93,404.36
0.00	0.00	0.00	275,604.95
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,619,359.94</u>
<u>93,404.36</u>	<u>0.00</u>	<u>0.00</u>	<u>2,988,369.25</u>
<u>\$ 93,404.36</u>	<u>\$ 607,214.13</u>	<u>\$ 10,494,800.00</u>	<u>\$ 15,334,848.98</u>

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
 CUSTER COUNTY, OKLAHOMA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - REGULATORY BASIS -
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2013

	Governmental			Governmental	Total
	General	Special Revenue	Debt Service	Fund Types Capital Projects	(Memorandum Only - Note 1) 2013
Revenues:					
Local sources	\$ 3,465,284.09	\$ 974,049.08	\$ 1,521,318.50	\$ 1,588,465.97	\$ 7,549,117.64
Intermediate sources	434,652.50	0.00	0.00	0.00	434,652.50
State sources	7,187,403.09	111,056.48	3,305.47	0.00	7,301,765.04
Federal Sources	681,182.14	468,764.91	0.00	0.00	1,149,947.05
Total Revenues Collected	11,768,521.82	1,553,870.47	1,524,623.97	1,588,465.97	16,435,482.23
Expenditures:					
Instruction	7,529,898.82	160,267.05	0.00	0.00	7,690,165.87
Support services	4,436,461.73	386,328.54	0.00	812,675.78	5,635,466.05
Non - Instructional services	534.33	943,774.91	0.00	0.00	944,309.24
Capital outlay	0.00	92,074.95	0.00	709,239.24	801,314.19
Other outlays	41,110.70	915.00	0.00	0.00	42,025.70
Debt service:					
Principal retirement	0.00	0.00	1,705,000.00	0.00	1,705,000.00
Interest and fiscal agent charges	0.00	0.00	80,160.00	0.00	80,160.00
Judgments paid	0.00	0.00	0.00	0.00	0.00
Total Expenditures	12,008,005.58	1,583,360.45	1,785,160.00	1,521,915.02	16,898,441.05
Excess of revenue over (under) expenditures	-239,483.76	-29,489.98	-260,536.03	66,550.95	-462,958.82
Adjustments to prior year encumbrances	45.00	0.00	0.00	0.00	45.00
Other financing sources (uses):					
Bond sale proceeds	0.00	0.00	0.00	0.00	0.00
Excess of revenues and other sources over (under) expenditures and other uses	-239,438.76	-29,489.98	-260,536.03	66,550.95	-462,913.82
Beginning fund balance	2,094,751.20	793,537.48	536,140.98	26,853.41	3,451,283.07
Ending fund balance	\$ 1,855,312.44	\$ 764,047.50	\$ 275,604.95	\$ 93,404.36	\$ 2,988,369.25

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
 CUSTER COUNTY, OKLAHOMA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES - BUDGET AND ACTUAL - REGULATORY BASIS
 BUDGETED GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2013

	General Fund		
	Original Budget	Final Budget	Actual
Beginning fund balances, budgetary basis	\$ 2,094,751.20	\$ 2,094,751.20	\$ 2,094,751.20
Revenues:			
Local sources	3,028,033.24	3,028,033.24	3,465,284.09
Intermediate sources	388,932.57	388,932.57	434,652.50
State sources	6,403,013.81	6,403,013.81	7,187,403.09
Federal sources	393,275.15	393,275.15	681,182.14
Total Revenue, budgetary basis	10,213,254.77	10,213,254.77	11,768,521.82
Expenditures:			
Instruction	7,807,554.67	7,807,554.67	7,529,898.82
Support services	4,456,568.27	4,456,568.27	4,436,461.73
Non - Instructional services	534.33	534.33	534.33
Capital Outlay	43,348.70	43,348.70	0.00
Other Outlays		0.00	41,110.70
Debt Service:			
Principal retirement	0.00	0.00	0.00
Interest and fiscal agent charges	0.00	0.00	0.00
Judgments paid	0.00	0.00	0.00
Total Expenditures, budgetary basis	12,308,005.97	12,308,005.97	12,008,005.58
Excess of revenue and beginning fund balances over (under) expenditures - budgetary basis	0.00	0.00	1,855,267.44
Other financing sources (uses):			
Bond sale proceeds	0.00	0.00	0.00
Excess of revenues and other sources over (under) expenditures and other uses	0.00	0.00	1,855,267.44
Adjustments to prior year encumbrances	0.00	0.00	45.00
Ending fund balances	\$ 0.00	\$ 0.00	\$ 1,855,312.44

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

Special Revenue Funds			Debt Service Fund		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 793,537.48	\$ 793,537.48	\$ 793,537.48	\$ 536,140.98	\$ 536,140.98	\$ 536,140.98
805,179.77	805,179.77	974,049.08	1,446,098.19	1,446,098.19	1,521,318.50
0.00	0.00	0.00	0.00	0.00	0.00
94,787.65	94,787.65	111,056.48	0.00	0.00	3,305.47
418,907.23	418,907.23	468,764.91	0.00	0.00	0.00
<u>1,318,874.65</u>	<u>1,318,874.65</u>	<u>1,553,870.47</u>	<u>1,446,098.19</u>	<u>1,446,098.19</u>	<u>1,524,623.97</u>
185,406.72	185,406.72	160,267.05	0.00	0.00	0.00
760,118.94	760,118.94	386,328.54	0.00	0.00	0.00
1,073,896.52	1,073,896.52	943,774.91	0.00	0.00	0.00
92,074.95	92,074.95	92,074.95	0.00	0.00	0.00
915.00	915.00	915.00	0.00	0.00	0.00
0.00	0.00	0.00	1,899,166.67	1,899,166.67	1,705,000.00
0.00	0.00	0.00	83,072.50	83,072.50	80,160.00
0.00	0.00	0.00	0.00	0.00	0.00
<u>2,112,412.13</u>	<u>2,112,412.13</u>	<u>1,583,360.45</u>	<u>1,982,239.17</u>	<u>1,982,239.17</u>	<u>1,785,160.00</u>
0.00	0.00	764,047.50	0.00	0.00	275,604.95
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
0.00	0.00	764,047.50	0.00	0.00	275,604.95
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 764,047.50</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 275,604.95</u>

NOTES TO COMBINED FINANCIAL STATEMENTS

OF

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1. **Summary of Significant Accounting Policies**

The basic financial statements of the Weatherford Independent School District No. 26 (the "District") have been prepared in conformity with another comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the 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 five 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 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 are 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 involves 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.

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Summary of Significant Accounting Policies, (Continued)

Reporting Entity, (Continued)

The School Education Foundation is not included in the reporting entity. The District does not appoint any of the board members or exercise any oversight authority over the Foundation.

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.

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Summary of Significant Accounting Policies, (Continued)

Fund Accounting, (Continued)

Special Revenue Fund - The special revenue funds of the District consist of the Building Fund, Child Nutrition Fund and the Co-op 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. The district also deposits monies received from the National School Lunch and Breakfast programs into this fund.

Co-op Fund - The Co-op Fund consists of monies collected from certain federal grant program resources and contributions from other school districts that voluntarily choose to pool their resources for the purpose of coordinated, multi-district special education and related services.

Debt Service Fund - The Debt Service Fund is the District's Sinking Fund and is used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

Capital Projects Fund - The Capital Projects Fund is the District's Bond Fund and is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

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. 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.

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Summary of Significant Accounting Policies, (Continued)

Fund Accounting, (Continued)

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

Account Groups

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

General Long-Term Debt Account Group - This account group was established to account for all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for liabilities for compensated absences and early retirement incentives which are to be paid from funds provided in future years.

General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the school district. The District has not maintained the cost of fixed assets purchased in previous years. Thus the General Fixed Asset Account Group is not presented.

Memorandum Only - Total Column

The total column on the financial statements is captioned "memorandum only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, 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.

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Summary of Significant Accounting Policies, (Continued)

C. Basis of Accounting

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

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

- Encumbrances represented by purchase orders, contracts and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.

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

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.

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Summary of Significant Accounting Policies, (Continued)

Budgets and Budgetary Accounting, (Continued)

The District may upon approval by a majority of the electors of the District voting on the question make the ad valorem levy, emergency levy and local support levy permanent.

Under current Oklahoma Statutes, a formal budget is required for all funds except for agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories.

E. Assets, Liabilities and Fund Equity

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 direct obligations of the United States Government and Agencies or certificates of deposit with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

Property Tax Revenues - The District is authorized by state law to levy property taxes which consist 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 taxes is 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.

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Summary of Significant Accounting Policies, (Continued)

Assets, Liabilities and Fund Equity, (Continued)

Inventories - The value of consumable inventories at June 30, 2013 is not material to the financial statements.

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

Compensated Absences - The school does not calculate a dollar value of compensated absences. Thus, compensated absences have not been presented.

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.

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

F. Revenue, Expenses, and Expenditures

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

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Summary of Significant Accounting Policies, (Continued)

Revenues, Expenses and Expenditures, (Continued)

State Revenues, (Continued)

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

Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no operating transfers or residual equity transfers during fiscal year 2013.

G. 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 2013 accompanying financial statements.

2. **Cash and Investments**

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

**WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

Cash and Investments, (Continued)

Deposits Categories of Credit Risk

Deposits - The District's cash deposits at June 30, 2013, are categorized to give an indication of the level of risk assumed by the District at year end as follows:

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

	Category			Bank Balance
	(A)	(B)	(C)	
Cash	\$ 237,354.15	\$ 0.00	\$ 0.00	\$ 237,354.15
Investments	739,390.53	3,863,304.30	0.00	4,602,694.83
Total	\$ 976,744.68	\$ 3,863,304.30	\$ 0.00	\$ 4,840,048.98

Investments - The District's investments consist of Certificates of Deposit.

3. 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 to be fully paid serially within 25 years from the date of issue.

General long-term debt of the District consists of bonds payable, obligations for compensated absences, early retirement incentives and a capital lease. Debt service requirements for bonds payable are solely from fund balance and future revenues of the Debt Service Fund.

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

General Long-Term Debt, (Continued)

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2013:

	Bonds Payable	Capital Leases	Total
Balance 7-1-12	\$ 2,870,000	\$ 8,468,250	\$ 11,338,250
Additions	1,480,000	0	1,480,000
Retirements	<u>(1,705,000)</u>	<u>(618,450)</u>	<u>(2,323,450)</u>
Balance 6-30-13	<u>\$ 2,645,000</u>	<u>\$ 7,849,800</u>	<u>\$ 10,494,800</u>

A brief description of the outstanding bond issues at June 30, 2013 is set forth below:

	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
'11 G.O. Building Bond	.95%	07-01-13	\$ 540,000	\$ 0
'12 G.O. Building Bond	.60%	08-01-14	630,000	630,000
'12 Transportation Bond	1.00%	11-01-14	850,000	850,000
'08 G.O. Building Bond	3.00%	06-01-14	5,825,000	1,165,000
			<u>\$ 7,845,000</u>	<u>\$ 2,645,000</u>

Presented below is a summary of debt service requirements for the remaining life of the bonds:

	Principal	Interest	Total
6-30-14	\$ 1,165,000	\$ 53,370	\$ 1,218,370
6-30-15	1,055,000	8,265	1,063,265
6-30-16	<u>425,000</u>	<u>1,890</u>	<u>426,890</u>
	<u>\$ 2,645,000</u>	<u>\$ 63,525</u>	<u>\$ 2,708,525</u>

Interest expense on general long-term debt incurred during the current year totaled \$80,160.00.

**WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
 CUSTER COUNTY, OKLAHOMA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013**

General Long-Term Debt (Continued)

The District has entered into lease agreements as lessee, which qualify as capital leases for accounting purposes since title transfers at the end of the lease term and it has been recorded at the present value of the future minimum lease payments. The lease contains a clause, which gives the District the ability to terminate the lease agreements at the end of each fiscal year. The District records any current year payments on capital leases as expenditures and records a liability for future lease payment in the general long-term debt account group.

A brief description of the outstanding capital leases at June 30, 2013, is set forth below:

	Final Payment	Original Lease	Amount Outstanding	Interest Rate
Weatherford Industrial Trust	08-01-15	\$ 9,996,900	\$ 7,849,800	1.89%
Total Capital Lease		\$ 9,996,900	\$ 7,849,800	

Presented below is a schedule of future minimum lease payments as follows:

<u>Year Ending</u>	<u>Payment</u>	<u>Total</u>
6-30-2014	\$ 1,598,450	\$ 1,598,450
6-30-2015	1,643,100	1,643,100
6-30-2016	4,608,250	4,608,250
Totals	\$ 7,849,800	\$ 7,849,800

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

4. **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.

A participant with five years of creditable service may retire with a normal retirement allowance at the age of sixty-two or with reduced benefits as early as age fifty-five. The normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised, equals two percent of the average of the highest three earning years of contributory service multiplied by the number of years of credited service. A participant leaving employment before attaining retirement age, but completing ten years of service, may elect to vest his accumulated contributions and defer receipt of a retirement annuity until a later date. When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit, elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death.

The contribution rates for the 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 9.50% effective July 1, 2010. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. The required contribution for participating members is 7.0% of each member's total compensation.

For the year ended June 30, 2013, the total compensation covered by the Teacher Retirement System was \$7,223,909.71. The District's contributions to the System for the years ending June 30, 2013, 2012, and 2011 were \$708,379.84, \$656,096.49, and \$647,669.35, respectively.

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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 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 nonfunded pension benefit obligation of the System, as determined as part of the latest actuarial valuation dated June 30, 2012, is as follows:

Total Pension Benefit Obligation	\$18,588,042,438
Actuarial Value of Assets	<u>10,190,480,780</u>
Unfunded Actuarial Accrued Liability	<u>\$ 8,397,561,658</u>

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

Ten year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2012. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53524, Oklahoma City, OK 73152 or by calling (405) 521-2387.

5. Health Care Coverage

During the year ended June 30, 2013, employees of the Weatherford Independent School District No. 26, Oklahoma, were covered by a health insurance plan (the Plan). The teachers and support personnel may elect to be covered by the Plan. The Plan was authorized by House Bill 1731, 1988 Oklahoma Legislature (74 O.S. 1988, Supp. Section 1301-1322) with the Oklahoma State and Education Employers Group Insurance Board.

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

6. **Investment Income**

Investment income deposits are receipted as allocated by the Treasurer. School District Funds held by the Treasurer are required to be invested in accordance with Title 70 of the Oklahoma Statutes. Interest income on cash funds totaled \$3,768.41.

7. **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.

8. **Risk Management**

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, employees' health and life, and natural disasters. The District manages these various risks of loss through the purchase of commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

9. **Surety Bonds**

Superintendent is bonded by The Ohio Casualty Insurance Company, bond number 601033734, for the penal sum of \$100,000.00 for the term of July 2, 2012, to July 2, 2013.

Treasurer is bonded by The Ohio Casualty Insurance Company, bond number 3863159, for the penal sum of \$100,000.00 for the term of December 14, 2012, to December 14, 2013.

10. **Subsequent Events**

Management has evaluated subsequent events through October 11, 2013, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

SUPPORTING SCHEDULES

OF

**WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA**

COMBINING FINANCIAL STATEMENTS

OF

**WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA**

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
 CUSTER COUNTY, OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
 June 30, 2013

	<u>Building Fund</u>	<u>Child Nutrition Fund</u>	<u>Co-op Fund</u>	<u>Totals 2013</u>
<u>ASSETS</u>				
Cash and Investments	\$ 524,992.08	\$ 346,854.59	\$ 0.00	\$ 871,846.67
Total Assets	<u>\$ 524,992.08</u>	<u>\$ 346,854.59</u>	<u>\$ 0.00</u>	<u>\$ 871,846.67</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Warrants payable	\$ 47,312.00	\$ 60,487.17	\$ 0.00	\$ 107,799.17
Encumbrances	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Liabilities	<u>47,312.00</u>	<u>60,487.17</u>	<u>0.00</u>	<u>107,799.17</u>
 Total fund balances	 <u>477,680.08</u>	 <u>286,367.42</u>	 <u>0.00</u>	 <u>764,047.50</u>
Total Liabilities and Fund Balances	<u>\$ 524,992.08</u>	<u>\$ 346,854.59</u>	<u>\$ 0.00</u>	<u>\$ 871,846.67</u>

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
 CUSTER COUNTY, OKLAHOMA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - REGULATORY BASIS -
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Building Fund	Child Nutrition Fund	Co-op Fund	Totals 2013
Revenues:				
Local sources	\$ 535,825.80	\$ 438,223.28	\$ 0.00	\$ 974,049.08
Intermediate sources	0.00	0.00	0.00	0.00
State sources	1,036.38	110,020.10	0.00	111,056.48
Federal Sources	0.00	455,059.60	13,705.31	468,764.91
	<u>536,862.18</u>	<u>1,003,302.98</u>	<u>13,705.31</u>	<u>1,553,870.47</u>
Total Revenues Collected				
Expenditures:				
Instruction	146,903.49	0.00	13,363.56	160,267.05
Support services	385,986.79	0.00	341.75	386,328.54
Non - Instructional services	0.00	943,774.91	0.00	943,774.91
Capital Outlay	92,074.95	0.00	0.00	92,074.95
Other Outlays	250.00	665.00	0.00	915.00
	<u>625,215.23</u>	<u>944,439.91</u>	<u>13,705.31</u>	<u>1,583,360.45</u>
Total Expenditures				
Excess of revenue over (under) expenditures	-88,353.05	58,863.07	0.00	-29,489.98
Adjustments to prior year encumbrances	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Excess of revenues and other sources over (under) expenditures and other uses	-88,353.05	58,863.07	0.00	-29,489.98
Beginning fund balance	<u>566,033.13</u>	<u>227,504.35</u>	<u>0.00</u>	<u>793,537.48</u>
Ending fund balance	<u>\$ 477,680.08</u>	<u>\$ 286,367.42</u>	<u>\$ 0.00</u>	<u>\$ 764,047.50</u>

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
 CUSTER COUNTY, OKLAHOMA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES - BUDGET AND ACTUAL - REGULATORY BASIS
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Building Fund		
	Original Budget	Final Budget	Actual
Beginning fund balances, budgetary basis	\$ 566,033.13	\$ 566,033.13	\$ 566,033.13
Revenues:			
Local sources	432,814.25	432,814.25	535,825.80
Intermediate sources	0.00	0.00	0.00
State sources	0.00	0.00	1,036.38
Federal sources	0.00	0.00	0.00
Total Revenue, budgetary basis	432,814.25	432,814.25	536,862.18
Expenditures:			
Instruction	146,903.49	146,903.49	146,903.49
Support services	759,618.94	759,618.94	385,986.79
Non - Instructional services	0.00	0.00	0.00
Capital Outlay	92,074.95	92,074.95	92,074.95
Other Outlays	250.00	250.00	250.00
Total Expenditures, budgetary basis	998,847.38	998,847.38	625,215.23
Excess of revenue and beginning fund balances over (under) expenditures - budgetary basis	0.00	0.00	477,680.08
Other financing sources (uses):			
Bond sale proceeds	0.00	0.00	0.00
Excess of revenues and other sources over (under) expenditures and other uses	0.00	0.00	477,680.08
Adjustments to prior year encumbrances	0.00	0.00	0.00
Ending fund balances	\$ 0.00	\$ 0.00	\$ 477,680.08

Child Nutrition Fund			Coop Fund		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 227,504.35	\$ 227,504.35	\$ 227,504.35	\$ 0.00	\$ 0.00	\$ 0.00
372,365.52	372,365.52	438,223.28	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
94,787.65	94,787.65	110,020.10	0.00	0.00	0.00
<u>379,904.00</u>	<u>379,904.00</u>	<u>455,059.60</u>	<u>39,003.23</u>	<u>39,003.23</u>	<u>13,705.31</u>
<u>847,057.17</u>	<u>847,057.17</u>	<u>1,003,302.98</u>	<u>39,003.23</u>	<u>39,003.23</u>	<u>13,705.31</u>
0.00	0.00	0.00	38,503.23	38,503.23	13,363.56
0.00	0.00	0.00	500.00	500.00	341.75
1,073,896.52	1,073,896.52	943,774.91	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
<u>665.00</u>	<u>665.00</u>	<u>665.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>1,074,561.52</u>	<u>1,074,561.52</u>	<u>944,439.91</u>	<u>39,003.23</u>	<u>39,003.23</u>	<u>13,705.31</u>
0.00	0.00	286,367.42	0.00	0.00	0.00
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
0.00	0.00	286,367.42	0.00	0.00	0.00
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 286,367.42</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
 CUSTER COUNTY, OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 - REGULATORY BASIS - CAPITAL PROJECT FUNDS
 June 30, 2013

	<u>Bulding Bond Funds 34-35-36</u>	<u>Municipal Tax Fund</u>	<u>Totals 2013</u>
<u>ASSETS</u>			
Cash and Investments	\$ 48,874.22	\$ 44,530.14	\$ 93,404.36
Total Assets	<u>\$ 48,874.22</u>	<u>\$ 44,530.14</u>	<u>\$ 93,404.36</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Warrants Payable	\$	\$ 0.00	\$ 0.00
Encumbrances	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
 Total fund balances	 <u>48,874.22</u>	 <u>44,530.14</u>	 <u>93,404.36</u>
Total Liabilities and Fund Balances	<u>\$ 48,874.22</u>	<u>\$ 44,530.14</u>	<u>\$ 93,404.36</u>

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
 CUSTER COUNTY, OKLAHOMA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - REGULATORY BASIS -
 CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Building Bond Funds 34-35-36	Municipal Tax Fund	Totals 2013
Revenues:			
Local sources	\$ 1,480,000.00	\$ 108,465.97	\$ 1,588,465.97
Total Revenues Collected	1,480,000.00	108,465.97	1,588,465.97
Expenditures:			
Instruction	0.00	0.00	0.00
Support Services	812,675.78	0.00	812,675.78
Non-Instructional Services	0.00		0.00
Capital Outlay	618,450.00	90,789.24	709,239.24
Other Outlays		0.00	0.00
Total Expenditures	1,431,125.78	90,789.24	1,521,915.02
Excess of revenue over (under) expenditures	48,874.22	17,676.73	66,550.95
Other financing sources (uses):			
Bond Sale Proceeds		0.00	0.00
Adjustments to prior year encumbrances	0.00	0.00	0.00
Excess of revenue and other sources over (under) expenditures and other uses	48,874.22	17,676.73	66,550.95
Beginning fund balance	0.00	26,853.41	26,853.41
Ending fund balance	\$ 48,874.22	\$ 44,530.14	\$ 93,404.36

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
 CUSTER COUNTY, OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 - REGULATORY BASIS - FIDUCIARY FUNDS
 June 30, 2013

	<u>Agency Fund</u> Activity Funds	<u>Totals</u> 2013
<u>ASSETS</u>		
Cash and Investments	\$ <u>607,214.13</u>	\$ <u>607,214.13</u>
Total Assets	\$ <u><u>607,214.13</u></u>	\$ <u><u>607,214.13</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to others	\$ <u>607,214.13</u>	\$ <u>607,214.13</u>
Total Liabilities	<u>607,214.13</u>	<u>607,214.13</u>
Total fund balances	<u>0.00</u>	<u>0.00</u>
Total Liabilities and Fund Balances	\$ <u><u>607,214.13</u></u>	\$ <u><u>607,214.13</u></u>

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
 CUSTER COUNTY, OKLAHOMA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 - REGULATORY BASIS -
 ALL AGENCY FUNDS
 July 1, 2012 through June 30, 2013

<u>ASSETS</u>	Beginning Balance	Total	Total	Total	Ending Balance
<u>ACTIVITIES</u>	<u>As of 7-1-12</u>	<u>Receipts</u>	<u>Adjustments</u>	<u>Disbursements</u>	<u>As of 6-30-13</u>
Child Nutrition Program	\$ 0.00	\$ 403,121.56	\$ 0.00	\$ 403,121.56	\$ 0.00
WHS Year Book	1,157.35	9,992.00	0.00	7,868.97	3,280.38
Art Guild	410.63	55.00	0.00	272.61	193.02
WMS Art	3,349.15	1,688.00	0.00	1,010.68	4,026.47
Athletics	84,379.74	194,386.99	0.00	189,098.19	89,668.54
Band	2,406.51	2,000.00	0.00	4,350.00	56.51
Band Boosters	7,288.19	20,973.95	0.00	20,499.13	7,763.01
Burcham Elementary	16,204.85	73,023.26	0.00	64,262.13	24,965.98
WHS Cheerleaders	11,790.77	48,108.80	0.00	53,976.37	5,923.20
Freshmen Cheerleaders	2,153.11	3,744.50	0.00	5,897.61	0.00
7th & 8th Cheerleaders	8,911.68	21,794.65	0.00	20,994.27	9,712.06
WMS Pom Pom Squad	259.69	0.00	0.00	0.00	259.69
WHS Art	821.01	4,051.52	0.00	3,158.96	1,713.57
Builders Club	0.00	1,977.00	0.00	1,099.50	877.50
2 Much 2 Lose	426.27	1,000.00	0.00	213.69	1,212.58
PBIS	561.99	4,645.00	0.00	3,815.95	1,391.04
Donations	0.00	182,692.25	0.00	0.00	182,692.25
Mary Stafford Scholarship Fund	467.64	0.87	0.00	0.00	468.51
Class of 2014	1,963.65	1,002.32	0.00	1,000.00	1,965.97
DECA	1,942.66	0.00	0.00	0.00	1,942.66
East Elementary	24,635.07	45,684.97	0.00	41,564.77	28,755.27
Middle School Choir	139.42	4.27	0.00	0.00	143.69
WHS Vending Machines	3,725.85	22,768.06	0.00	19,037.04	7,456.87
FFA	1,261.14	80,240.46	0.00	69,559.23	11,942.37
FCCLA	2,237.49	2,603.82	0.00	3,906.67	934.64
Robotic Team	45.61	620.00	0.00	600.43	65.18
Class of 2015	1,917.00	0.00	0.00	0.00	1,917.00
Drama	1,399.20	975.00	0.00	605.88	1,768.32
Prom Committee	0.00	8,230.00	0.00	6,986.62	1,243.38
Ag Boosters	11,926.81	5,819.66	0.00	9,367.18	8,379.29
Food Pantry	0.00	5,791.75	0.00	296.53	5,495.22
Tech Ed.	2.71	500.00	0.00	0.00	502.71
Healthy & Fit	121.00	1,328.00	0.00	1,320.00	129.00
Weatherford Middle School	19,018.07	17,566.35	0.00	18,864.00	17,720.42
Library - East Elementary	1,167.98	5,237.23	0.00	5,293.49	1,111.72
Library - WHS	263.53	677.40	0.00	773.80	167.13
Library - WMS	1,457.29	5,475.06	0.00	5,411.22	1,521.13
Library - West Elementary	2,037.24	8,248.63	0.00	6,794.06	3,491.81
National Honor Society	239.95	336.00	0.00	165.14	410.81
Parent/Teacher Org	0.00	1,106.00	0.00	692.67	413.33
Quarterback Club	18,315.77	59,202.57	0.00	51,860.01	25,658.33
Class of 2017	0.00	3,090.00	0.00	1,018.00	2,072.00
Refund- (Lost Books Etc.)	0.00	152.98	0.00	152.98	0.00
Scholarship Fund	16.44	2,000.00	0.00	2,000.00	16.44
Show Choir	135.34	0.00	0.00	0.00	135.34

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
 CUSTER COUNTY, OKLAHOMA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 - REGULATORY BASIS -
 ALL AGENCY FUNDS - (CONTINUED)
 July 1, 2012 through June 30, 2013

<u>ASSETS</u>	Beginning Balance As of 7-1-12	Total Receipts	Total Adjustments	Total Disbursements	Ending Balance As of 6-30-13
<u>ACTIVITIES</u>					
Soccer Programs	\$ 18,405.86	\$ 41,171.86	\$ 0.00	\$ 43,984.69	\$ 15,593.03
Special Olympics	8,159.31	7,043.70	0.00	5,132.90	10,070.11
Library - Burcham	2,699.80	7,733.24	0.00	6,122.29	4,310.75
Sr. High Activity - WHS	710.36	391.00	0.00	567.00	534.36
WHS- Student Council	656.92	3,095.50	0.00	3,703.84	48.58
WMS Student Council	1,187.85	1,496.46	0.00	1,785.88	898.43
Tip-In Club	12,419.93	46,661.79	0.00	29,826.44	29,255.28
Vocal Music	4,128.90	8,419.00	0.00	9,294.98	3,252.92
WHS Eagle Pom Pom Squad	6.44	0.00	0.00	0.00	6.44
West Elementary	18,433.82	48,502.19	0.00	52,333.07	14,602.94
Administration	1,863.29	218.11	0.00	1,676.26	405.14
Weatherford Tennis Boosters	491.73	446.00	0.00	293.00	644.73
Takedown Club	4,169.01	27,594.25	0.00	26,327.26	5,436.00
Teed Off Club	837.49	4,996.00	0.00	3,221.31	2,612.18
WHS History Club	902.95	0.00	0.00	0.00	902.95
Spike It Booster Club	13,507.23	16,359.83	0.00	15,481.44	14,385.62
WMS - TSA	2,577.82	11,780.00	0.00	10,056.18	4,301.64
Weatherford Softball Boosters	12,078.54	19,851.50	0.00	19,644.97	12,285.07
WMS Yearbook	1,723.30	5,483.80	0.00	5,978.22	1,228.88
WHS Testing Acct - Powell	1,513.25	5,611.00	0.00	5,698.90	1,425.35
Spanish Club	202.40	291.06	0.00	240.86	252.60
Track Boosters	4,639.73	7,146.94	0.00	5,996.94	5,789.73
Key Club	7,187.73	9,304.68	0.00	6,295.84	10,196.57
Class of 2013	5,675.48	3,150.10	0.00	8,825.58	0.00
WHS - Alternative Ed	249.79	0.00	0.00	0.00	249.79
Johnny Richie Miller Sch. Fund	322.74	5.29	0.00	0.00	328.03
WMS-Girls Basketball	1,676.59	10,805.91	0.00	10,218.70	2,263.80
Cross-Country Boosters	3,212.28	3,868.55	0.00	4,226.39	2,854.44
East's Caring Fund	291.91	0.00	0.00	37.50	254.41
	1,207.00	0.00	0.00	0.00	1,207.00
FCA	516.66	0.00	0.00	0.00	516.66
Class of 2012	531.11	0.00	0.00	0.00	531.11
Choir Boosters	171.96	4,066.00	0.00	4,237.96	0.00
WHS Wrestling Cheerleaders	203.56	360.00	0.00	490.35	73.21
After School Program	932.04	0.00	0.00	0.00	932.04
TOTAL ASSETS	\$ 368,052.58	\$ 1,547,769.64	\$ 0.00	\$ 1,308,608.09	\$ 607,214.13
 <u>LIABILITIES</u>					
Due to Student Groups	\$ 368,052.58	\$ 1,547,769.64	\$ 0.00	\$ 1,308,608.09	\$ 607,214.13
TOTAL LIABILITIES	\$ 368,052.58	\$ 1,547,769.64	\$ 0.00	\$ 1,308,608.09	\$ 607,214.13

SUPPLEMENTARY INFORMATION

OF

**WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA**

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Project Reporting Number	Program Approved Amount	Beginning Balance at July 1, 2012	Receipts	Expenditures	Ending Balance at June 30, 2013
<u>2011-2012 Programs</u>							
Title II - Part A	84.367	541	\$ 0.00	\$ -4,483.75	\$ 4,483.75	\$ 0.00	\$ 0.00
Medicaid Resources	93.778	698	0.00	-16,228.86	16,228.86	0.00	0.00
<u>2012-2013 Programs</u>							
Title I	84.010	511	336,192.17	0.00	262,091.33	329,883.46	-67,792.13
Title II - Part A	84.367	541	50,400.73	0.00	37,812.13	39,198.48	-1,386.35
Carl Perkins	84.048	421	17,292.00	0.00	17,292.00	17,292.00	0.00
Title VII - Indian Education	84.060	561	43,721.00	0.00	19,583.36	43,721.00	-24,137.64
Title III Ltd English Proficiency	84.365	572	14,300.88	0.00	13,705.31	13,705.31	0.00
IDEA-B Flow Through	84.027	621	346,985.02	0.00	245,399.01	322,616.41	-77,217.40
IDEA-B Flow Through Private Schools	84.027	625	2,381.78	0.00	2,381.78	2,381.78	0.00
IDEA-B Preschool	84.173	641	10,812.77	0.00	8,109.54	10,812.77	-2,703.23
Title VI - Part B	84.358	587	35,839.45	0.00	18,756.42	24,899.51	-6,143.09
Medicaid Resources	93.778	698	48,722.84	0.00	48,600.72	48,600.72	0.00
Job Training - OJT	84.126	456	443.24	0.00	443.24	443.24	0.00
Total Department of Education			907,091.88	-20,712.61	694,887.45	853,554.68	-179,379.84
<u>U.S. Department of Agriculture</u>							
Passed Through State Dept. of Education:							
Cash Assistance:							
National School Lunch Program	10.555	763	341,877.73	0.00	341,877.73	341,877.73	0.00
School Breakfast Program	10.553	764	113,181.87	22,618.88	113,181.87	113,181.87	22,618.88
Non-Cash Assistance (Commodities):							
National School Lunch Program	10.555	n/a	39,119.00	0.00	39,119.00	39,119.00	0.00
Total USDA			494,178.60	22,618.88	494,178.60	494,178.60	22,618.88
TOTAL FEDERAL ASSISTANCE			\$ 1,401,270.48	\$ 1,906.27	\$ 1,189,066.05	\$ 1,347,733.28	\$ -156,760.96

Note - 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 basic financial statements. Nonmonetary assistance in the form of commodities is reported in the schedule at the fair market value of the commodities received and disbursed.

REPORTS ON INTERNAL CONTROL AND ON COMPLIANCE
OF
WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA

**WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
 CUSTER COUNTY, OKLAHOMA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2013**

SUMMARY OF AUDITOR'S RESULTS

TYPE OF REPORT ISSUED ON THE FINANCIAL STATEMENTS:	Adverse Opinion
MATERIAL WEAKNESSES IDENTIFIED IN INTERNAL CONTROL OVER FINANCIAL REPORTING:	No
SIGNIFICANT DEFICIENCIES IDENTIFIED IN INTERNAL CONTROL OVER FINANCIAL REPORTING THAT ARE NOT CONSIDERED TO BE MATERIAL WEAKNESSES:	No
DISCLOSURES OF NONCOMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS:	(None Reported)
MATERIAL WEAKNESSES IDENTIFIED IN INTERNAL CONTROL OVER MAJOR FEDERAL AWARD PROGRAMS:	No
SIGNIFICANT DEFICIENCIES IDENTIFIED IN INTERNAL CONTROL OVER MAJOR FEDERAL AWARD PROGRAMS THAT ARE NOT CONSIDERED TO BE MATERIAL WEAKNESSES:	No
TYPE OF REPORT ISSUED ON COMPLIANCE FOR MAJOR PROGRAMS:	Unqualified Opinion
AUDIT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH SECTION 510(A) OF OMB CIRCULAR A-133:	No
MAJOR PROGRAMS:	84.010 Title I 84.027 IDEA-B Flowthrough 84.027 IDEA-B Flowthrough Private School 84.173 IDEA-B Preschool 84.358 Title VI Part B 84.367 Title II, Part A
DOLLAR THRESHOLD USED TO DISTINGUISH BETWEEN TYPE A AND B PROGRAMS:	\$300,000
QUALIFIED LOW-RISK AUDITEE:	No
FINDINGS & QUESTIONED COSTS FOR FEDERAL AWARDS	(None Reported)

WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
AUDIT COMMENTS
JUNE 30, 2013

CURRENT YEAR

- 13-1. During our audit, we were unable to find some of the equipment purchased. All equipment must be properly tracked at all times. The school must implement a policy whereby any equipment leaving school property has been properly checked out for tracking purposes.
- 13-2. During our audit of the Activity Funds, we found that money being receipted by several of the Activity Fund Sponsors was not being forwarded to the Activity Fund Custodians on a timely basis. Per 70 O.S. 5-129, state law requires that sponsors deposit money daily.

PRIOR YEAR

- 12-1. During our audit, we noted that some of the equipment purchased with federal funds was not properly labeled as required by the federal program guidelines. All equipment purchased with federal funds should be labeled with the name of the federal program and the fiscal year the equipment was purchased in for tracking purposes.
- 12-2. During our audit of the Activity Funds, we found that money being receipted by several of the Activity Fund Sponsors was not being forwarded to the Activity Fund Custodians on a timely basis. Per 70 O.S. 5-129, state law requires that sponsors deposit money daily.

Weatherford Public Schools

Weatherford, Oklahoma 73096

Home of the Eagles

October 10, 2013

In response to the Audit Comments for Weatherford Public Schools ending June 30, 2012 Weatherford Public Schools will make every effort to fully comply with the findings. Below are the actions that have been put into place to comply as we move forward.

Finding (1) It was noted that some equipment was not being tracked properly. Each building has put into place a specific inventory check out procedure for equipment being taken out of the school buildings. Documentation of who has checked out equipment will be available in each school site's administration office. Myself, or a representative will randomly check throughout the year, to ensure that all equipment can be appropriately tracked.

Finding (2) It was noted that money was being receipted by several of the Activity Fund Sponsors and was not being forwarded to the Activity Fund Custodians in a timely manner. Although I feel we have made improvements in this area from the preceding year we will strive more to comply with this finding as we move forward. Each sponsor must sign a document with the requirements of the district prior to them collecting funds which states the law 70 O.S. 5-129 requiring them to deposit money daily. Our activity fund custodian will be diligent in enforcing this requirement with each sponsor. If sponsors are not making these deposits in a timely manner they will be referred to the superintendent. I will meet with these sponsors at that time to enforce the law 70 O.S. 5-129.

Sincerely,



Matt Holder
Superintendent
Weatherford Public Schools

Weatherford Public Schools

Weatherford, Oklahoma 73096

Home of the Eagles

October 4, 2012

In response to the Audit Comments for Weatherford Public Schools ending June 30, 2012 Weatherford Public Schools will make every effort to fully comply with the findings. Below are the actions we will put in place to comply in the future.

Finding (1) It was noted that equipment that was purchased with federal funds was not properly labeled for tracking purposes. We will be working to find software that will allow us to enter data to efficiently track the equipment being purchased through federal programs and the general fund. Mrs. Cocannouer (Federal Programs Director) will verify with the instructors when equipment is purchased and received, that the items are appropriately labeled. We will also make this a requirement prior to the instructors checking out for the summer break, that all equipment has been labeled and verified by the principal's of each site.

Finding (2) It was noted that money was being receipted by several Activity Fund Sponsors and not being forwarded to the Activity Fund Custodian in a timely manner. Currently the activity fund sponsors must sign a document with the requirements of the district prior to them collecting funds which states the law 70 O.S. 5-129 requiring them to deposit money daily. I will be writing a letter and sending it to each sponsor stating the same law and requirements we are bound by as a school district. The activity fund custodian will continue to monitor the receipts and if a sponsor is not making the deposits in a timely manner she will refer them to the superintendent. I will then meet with those sponsors to work on an agreement to get the money deposited daily.

Sincerely,



Matt Holder
Superintendent
Weatherford Public Schools

Administration Office 516 North Broadway 580.772.3327 580.774.0821 Fax	Burcham Elementary 1401 Lark 580.774.0812 580.774.1910 Fax Preschool to Grade 1	East Elementary 701 East Proctor 580.772.7377 580.774.1905 Fax Grades 2-3	West Elementary 811 West Huber 580.772.5888 580.774.1903 Fax Grades 4-5	Weatherford Middle School 509 North Custer 580.772.2270 580.774.1981 Fax Grades 6-8	Weatherford High School 1500 North Washington 580.772.3385 580.774.1939 Fax Grades 9-12	Weatherford Alternative School 1500 North Washington 580.772.3385 580.774.1939 Fax
---	---	---	---	---	---	---

**WEATHERFORD INDEPENDENT SCHOOL DISTRICT NO. 26
CUSTER COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANTS' PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2012 THROUGH JUNE 30, 2013**

State of Oklahoma)
) ss
County of Custer)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountants' Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Weatherford Independent School District No. 26 for the audit year 2012-2013.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL & MILLER
Certified Public Accountants

James Kuykendall
By _____

Subscribed and sworn to before me this 10th day of October, 2013.

Patty Klein

NOTARY PUBLIC

