

**ANNUAL FINANCIAL REPORT**  
**INDEPENDENT SCHOOL DISTRICT NO. 4**  
**CHOCTAW/NICOMA PARK PUBLIC SCHOOL DISTRICT**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**JULY 1, 2014 TO JUNE 30, 2015**

CHOCTAW/NICOMA PARK PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 4  
OKLAHOMA, COUNTY  
JUNE 30, 2015

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CHOCTAW/NICOMA PARK PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 4  
OKLAHOMA, COUNTY  
JULY 1, 2014 TO JUNE 30, 2015

SCHOOL DISTRICT BOARD MEMBERS

James Alsup Jr.  
Elizabeth Parker  
Janice Modisette  
Pam Matherly  
Daryl Crusoe

SUPERINTENDENT OF SCHOOL DISTRICT

Jim McCharen

CLERK OF THE BOARD

Elizabeth Parker

SCHOOL DISTRICT TREASURER

Kevin Berry

# **PUTNAM & COMPANY, PLLC**

**Certified Public Accountants**

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EDMOND, OKLAHOMA 73013

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## **INDEPENDENT AUDITOR'S REPORT**

January 28, 2016

The Honorable Board of Education  
Choctaw/Nicoma Park School District No. 4  
Oklahoma County, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of Choctaw/Nicoma Park School District No. 4, Oklahoma 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 financial reporting provisions of the Oklahoma State Department of Education. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 their 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 opinion.

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

As discussed in Note 1, these financial statements were prepared by the District, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to

comply with the requirements of the Oklahoma State Department of Education. 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 reasonable determined, are presumed to be material.

### **Adverse Opinion of U.S. Generally Accepted Accounting Principles**

In our opinion, because 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, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

### **Basis for Qualified Opinion on Regulatory Basis of Accounting**

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balance 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**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining statement – regulatory basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not required part of the basic financial statements.

The combining statements – regulatory basis and the schedule of expenditures of federal awards are the responsibility of the 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 basic 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 the other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combined statements – regulatory basis and the schedule of expenditures of federal awards are 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 January 28, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and to other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards In considering the District's internal control over financial reporting and compliance.

*Putnam & Company*

Putnam & Company, PLLC

## **COMBINED FINANCIAL STATEMENTS**

**CHOCTAWNICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINED STATEMENT OF ASSETS AND LIABILITIES**  
**(ALL FUND TYPES AND ACCOUNT GROUPS) - REGULATORY BASIS**  
**JUNE 30, 2015**

	Governmental Fund Types			Fiduciary Fund Types	Account Group	Totals
	General	Special Revenue	Debt Service	Trust and Agency	General Long-Term Debt	(Memorandum Only)
<b>ASSETS</b>						
Cash and Cash Equivalents	\$4,783,147	164,040	2,672,163	605,118	261,411	16,792,382
Amount available in Debt Service Fund						261,411
Amount to be provided for retirement of General Long-Term Debt					19,060,907	19,060,907
<b>Total Assets</b>	<b>\$4,783,147</b>	<b>164,040</b>	<b>2,672,163</b>	<b>605,118</b>	<b>19,322,318</b>	<b>36,114,700</b>
<b>LIABILITIES</b>						
Warrants Payable	\$451,949	10,479		15,690		515,514
Reserved for Encumbrances	3,687,741	133,120				3,914,700
General Obligation Bonds Payable			2,398,750		18,846,250	21,245,000
Interest Payable on Bonds			12,002		476,068	488,070
<b>Total Liabilities</b>	<b>4,139,690</b>	<b>143,599</b>	<b>2,410,752</b>	<b>15,690</b>	<b>19,322,318</b>	<b>26,163,284</b>
<b>FUND EQUITY</b>						
Fund Balances:						
Restricted for Building Projects		20,358				20,358
Restricted for Child Nutrition Programs		83				83
Restricted for Coop Purposes		0				0
Restricted for Debt Service			261,411			261,411
Restricted for Capital Projects						8,436,679
Restricted for Insurance Purposes						34,007
Restricted for Student Activities						555,421
Unassigned	643,457					643,457
<b>Total Fund Balance</b>	<b>643,457</b>	<b>20,441</b>	<b>261,411</b>	<b>589,428</b>	<b>0</b>	<b>9,951,416</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$4,783,147</b>	<b>164,040</b>	<b>2,672,163</b>	<b>605,118</b>	<b>19,322,318</b>	<b>36,114,700</b>

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

**CHOCTAWNICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Governmental Fund Types			Fiduciary Fund Types	Totals
	General	Special Revenue	Debt Service	Trust and Agency	(Memorandum Only)
<b>REVENUES:</b>					
Local Sources	\$7,220,393	1,833,012	6,446,082	0	16,666,245
Intermediate Sources	1,973,624				1,973,624
State Sources	20,599,436	104,463			20,703,899
Federal Sources	2,534,771	805,800			3,340,571
Total Revenues	<u>32,328,224</u>	<u>2,743,275</u>	<u>6,446,082</u>	<u>0</u>	<u>42,684,339</u>
<b>EXPENDITURES:</b>					
Instruction	21,019,061				21,019,061
Support Services	12,766,500	933,506		8,924	21,266,344
Non-Instructional Services	27,981	1,782,937		24,935	14,459,179
Facilities Acquisition & Construction Services		111,672		1,082,535	2,929,200
Other Outlays	10,699	1,575			6,230,619
<b>DEBT SERVICE</b>					12,274
Bonds Paid			6,273,750		6,273,750
Coupons Paid			207,687		207,687
Total Expenditures	<u>33,824,241</u>	<u>2,829,690</u>	<u>6,481,437</u>	<u>1,114,394</u>	<u>51,378,053</u>
Revenues Over (Under) Expenditures	<u>(1,496,017)</u>	<u>(86,415)</u>	<u>(39,355)</u>	<u>52,364</u>	<u>(8,693,714)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from Sale of Bonds					6,600,000
Estopped Warrants		19			19
Return of Assets	57,155	1,575	5,346		64,076
Deobligation of Prior Year Funds	120	(289)			(169)
Total Other Financing Sources (Uses)	<u>57,275</u>	<u>1,305</u>	<u>5,346</u>	<u>0</u>	<u>6,683,926</u>
Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>(1,438,742)</u>	<u>(85,110)</u>	<u>(30,009)</u>	<u>52,364</u>	<u>(2,029,788)</u>
Fund Balance, Beginning of Year	<u>2,082,199</u>	<u>105,551</u>	<u>291,420</u>	<u>537,065</u>	<u>11,981,205</u>
Fund Balance, End of Year	<u>\$843,457</u>	<u>20,441</u>	<u>261,411</u>	<u>589,429</u>	<u>9,951,417</u>

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



**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**GENERAL FUND AND BUDGETED SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund			Special Revenue Funds				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:								
Local Sources	\$6,612,606	7,184,089	7,220,393	36,304	1,790,808	1,892,218	1,833,012	(59,206)
Intermediate Sources	1,866,000	1,985,583	1,973,624	(11,959)				0
State Sources	20,277,085	20,525,937	20,599,436	73,499	98,500	98,500	104,463	5,963
Federal Sources	2,165,141	2,437,691	2,534,771	97,080	815,000	847,286	805,800	(41,486)
Total Revenues	30,919,832	32,133,300	32,328,224	194,924	2,704,308	2,838,004	2,743,275	(94,729)
EXPENDITURES:								
Instruction	20,219,129	21,432,904	21,019,061	413,843				0
Support Services	12,771,005	12,771,005	12,766,500	4,505	930,602	949,298	933,506	15,792
Non-Instructional Services	26,198	26,198	27,981	(1,783)	1,877,757	1,877,757	1,782,937	94,820
Facilities Acquisition & Construction Services				0				3,328
Other Outlays	10,699	10,699	10,699	0	1,500	1,500	1,575	(75)
Total Expenditures	33,027,031	34,240,806	33,824,241	416,565	2,809,859	2,943,555	2,829,690	113,865
Revenues Over (Under) Expenditures	(2,107,199)	(2,107,506)	(1,496,017)	611,489	(105,551)	(105,551)	(86,415)	19,136
OTHER FINANCING SOURCES (USES):								
Return of Assets	25,000	25,307	57,155	31,848			1,575	1,575
Estopped Warrants				0			19	19
Deobligation of Prior Year Funds			120	120			(289)	(289)
Total Other Financing Sources (Uses)	25,000	25,307	57,275	31,968	0	0	1,305	1,305
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(2,082,199)	(2,082,199)	(1,438,742)	643,457	(105,551)	(105,551)	(85,110)	20,441
Fund Balance, Beginning of Year	2,082,199	2,082,199	2,082,199	0	105,551	105,551	105,551	0
Fund Balance, End of Year	\$0	0	643,457	643,457	0	0	20,441	20,441

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

## **NOTES TO FINANCIAL STATEMENTS**

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Choctaw/Nicoma Park Public Schools Independent District No. 4, Oklahoma County, Oklahoma (the "District") have been prepared in conformity with an other 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 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.

**B. Fund Accounting and Description of Funds**

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.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**B. Fund Accounting and Description of Funds – (continued)**

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 Salary Incentive Aid program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

Special Revenue Fund – The special revenue fund is the District's 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.

The Child Nutrition Fund derives monies from State, Federal and local sources.

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. When these assets are held under the terms of a trust agreement, trust funds are used for their accounting and reporting. 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.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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, of 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 does not have the information necessary to include this group in its combined financial statements.

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. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Investments 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.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**C. Basis of Accounting and Presentation – (continued)**

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

**D. 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 second 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.

The District may upon approval by a majority of the electors of the District voting on the question make the ad valorem levy for emergency levy and local support levy permanent. Under current Oklahoma Statutes, a formal budget is required for all funds except for trust and 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 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 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.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**E. Assets, Liabilities, and Fund Equity – (continued)**

Inventories – The value of consumable inventories at June 30, 2015 is not material to the basic financial statements.

Capital Assets – The accounting treatment over capital assets (property, plant, and equipment) depends on whether the assets are used in governmental fund-type operations or proprietary fund-type operations. Fixed assets used in governmental fund-type operations (general fixed assets) are recorded for as capital outlay expenditures of the governmental fund-type upon acquisition and are recorded as property, plant, and equipment in the General Fixed Asset Account Group. Fixed assets used in proprietary fund-type operations are accounted for as property, plant, and equipment within the proprietary fund itself.

All fixed assets are valued at historical cost, or estimated cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

Depreciation and accumulated depreciation are not reported against general fixed assets.

Compensated Absences – The district provides vacation and sick leave benefits in accordance with Oklahoma Statutes, which provides for annual sick leave and personal business days. Accrued vacation and sick leave benefits are not reflected in the financial statements because such statements are prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. There are no amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources.

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.

Fund Balance – Fund balance represents the cash and investments 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.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**F. Revenue, Expenses, and Expenditures – (continued)**

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 earmarked for these programs be expended only for the program for which the money is provided. These rules also 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 expenditure/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

**2. DEPOSIT AND INVESTMENT RISKS**

***Custodial Credit Risk*** - The District's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct debt obligations of the state, municipalities, counties, and school districts in the state of Oklahoma, surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the District must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2015, the District was not exposed to custodial credit risk as defined above.

***Investment Credit Risk*** – The District's investment policy limits investments to those allowed in state law applicable to school districts as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.



**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

***Investment Credit Risk (continued)*** - Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

***Investment Interest Rate Risk*** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits investments to those with a short-term maturities, as a means of managing exposure to fair value losses arising from increasing interest rates. The District discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

***Concentration of Investment Credit Risk*** - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The District's investment policy requires diversification of investments.

At June 30, 2015, the District had no concentration of credit risk as defined above.

**3. INTERFUND RECEIVABLES AND PAYABLES**

There were no Interfund receivables or payables at June 30, 2015.

**4. GENERAL LONG-TERM DEBT**

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without 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.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**4. GENERAL LONG-TERM DEBT - (continued)**

General long-term debt of the District consists of bonds payable, obligations for compensated absences, and capital leases. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2015:

	Bonds <u>Payable</u>	<u>Total</u>
Balance, July 1, 2014	\$20,050,000	\$ 20,050,000
Additions	6,600,000	6,600,000
Retirements	5,405,000	5,405,000
Balance, June 30, 2015	<u>\$21,245,000</u>	<u>\$ 21,245,000</u>

A brief description of the outstanding general obligation bond issues at June 30, 2015 is set forth below:

	<u>Amount Outstanding</u>
Independent School District No. 4 Building Bonds, Series 2015, original Issue \$6,600,000, interest rate of 1.0% to 1.25%, due in an annual installments of \$2,200,000, final payment of \$2,200,000 due June 1, 2019.	\$ 6,600,000
Independent School District No. 4 Building Bonds, Series 2013, original Issue \$6,100,000, interest rate of 1.0% to 1.5%, due in an annual installments of \$2,000,000, final payment of \$2,100,000 due June 1, 2018.	6,100,000
Independent School District No. 4 Building Bonds, Series 2013, original Issue \$5,725,000, interest rate of 0.50% to .875%, due in an annual installments of \$1,430,000, final payment of \$1,435,000 due June 1, 2018.	4,295,000
Independent School District No. 4 Building Bonds, Series 2013, original Issue \$5,500,000, interest rate of 0.55% to 1.20%, due in an annual installments of \$1,375,000, final payment of \$1,375,000 due June 1, 2017.	2,750,000

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**4. GENERAL LONG-TERM DEBT - (continued)**

Independent School District No. 4  
 Building Bonds, Series 2012, original  
 Issue \$5,975,000, interest rate of 1.00% to 1.875%,  
 due in an annual installments of \$1,475,000, final  
 payment of \$1,500,000 due June 1, 2016.

1,500,000

**TOTAL**

**\$21,245,000**

The annual debt service requirements for retirement of bond principal and payment of interest are as follows:

Year ending June 30	Principle	Interest	Total
2016	\$ 6,305,000	\$ 215,525	\$ 6,520,525
2017	7,005,000	154,000	7,159,000
2018	5,735,000	91,045	5,826,045
2019	2,200,000	27,500	2,227,500
	<u>\$ 21,245,000</u>	<u>\$ 488,070</u>	<u>\$ 21,733,070</u>

Interest expense on general long-term debt incurred during the current year totaled \$207,687.

**5. EMPLOYEE RETIREMENT SYSTEM**

The Retirement System's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The financial statements have also been prepared in compliance with the requirements of the Government Accounting Standards Board Statement No. 34.

The financial statements are prepared on the accrual basis of accounting, under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period they are earned and become measurable, and investment purchases and sales are recorded as of their trade dates. Member and employer contributions are recognized when due, pursuant to formal commitments. Benefits and refunds are recognized when due and payable.

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**5. 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. Actuarial valuations are not performed on individual school districts. The nonfunded pension benefit obligation of the System, as determined as part of the latest actuarial valuation indicates a significant unfunded pension benefit obligation.

Funding Policy

A participant with five years of creditable service may retire with a normal retirement allowance at the age of sixty-two (62) or with reduced benefits as early as age fifty-five (55). 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/her 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 participant's contributions plus interest. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death. The 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. Employers' contribution of applicable employee earnings was 9.5% for the year ended June 30, 2015.

	<u>Total Payroll</u>	<u>Contributions</u>
2014-15	\$ 20,413,001	\$ 1,971,971
2013-14	\$ 22,369,849	\$ 2,163,435
2012-13	\$ 21,841,131	\$ 2,068,959

**6. CONTINGENCIES**

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

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**7. RISK MANAGEMENT AND LITIGATION**

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.

**8. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 28, 2016, which is the date the financial statements were issued.

## **OTHER SUPPLEMENTARY INFORMATION**

CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS  
SPECIAL REVENUE FUNDS  
JUNE 30, 2015

	BUILDING FUND	CHILD NUTRITION FUND	COOP FUND	TOTALS (Memorandum Only)
<u>ASSETS</u>				
Cash and Cash Equivalents	<u>\$63,737</u>	<u>100,303</u>	<u>0</u>	<u>164,040</u>
Total Assets	<u>63,737</u>	<u>100,303</u>	<u>0</u>	<u>164,040</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Warrants Outstanding	9,720	759	0	10,479
Reserved for Encumbrances	<u>33,659</u>	<u>99,461</u>		<u>133,120</u>
Total Liabilities	<u>43,379</u>	<u>100,220</u>	<u>0</u>	<u>143,599</u>
Fund Equity:				
Restricted for Building Purposes	20,358			20,358
Restricted for Child Nutrition Programs		83		83
Restricted for Coop Fund Purposes			0	0
Total Fund Equity	<u>20,358</u>	<u>83</u>	<u>0</u>	<u>20,441</u>
Total Liabilities and Fund Equity	<u>\$63,737</u>	<u>100,303</u>	<u>0</u>	<u>164,040</u>

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

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - REGULATORY BASIS  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>COOP FUND</u>	<u>TOTALS (Memorandum Only)</u>
Revenues:				
Local Sources	\$1,020,670	812,342		1,833,012
State Sources		104,463		104,463
Federal Sources		773,514	32,286	805,800
Total Revenues Collected	<u>1,020,670</u>	<u>1,690,319</u>	<u>32,286</u>	<u>2,743,275</u>
Expenditures:				
Support Services	901,220		32,286	933,506
Non-Instructional Services		1,782,937		1,782,937
Facilities Acquisition & Construction Services	111,672			111,672
Other Outlays		1,575		1,575
Total Expenditures	<u>1,012,892</u>	<u>1,784,512</u>	<u>32,286</u>	<u>2,829,690</u>
Excess of Revenues Over Expenditures	<u>7,778</u>	<u>(94,193)</u>	<u>0</u>	<u>(86,415)</u>
Other Financing Sources (Uses):				
Return of Assets		1,575		1,575
Estopped Warrants		19		19
Deobligation of Prior Year Funds	<u>(289)</u>			<u>(289)</u>
Total Other Financing Sources (Uses):	<u>(289)</u>	<u>1,594</u>	<u>0</u>	<u>1,305</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	7,489	(92,599)	0	(85,110)
Fund Balance, Beginning of Year	<u>12,869</u>	<u>92,682</u>	<u>0</u>	<u>105,551</u>
Fund Balance, End of Year	<u>\$20,358</u>	<u>83</u>	<u>0</u>	<u>20,441</u>

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



**CHOCTAWINCOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGETED SPECIAL REVENUE FUNDS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Building Fund				Child Nutrition Fund				Coop Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)		Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>												
Local Sources	\$915,733	1,017,143	1,020,670	104,937	875,075	812,342	(62,733)					0
State Sources				0	98,500	104,463	5,963					0
Federal Sources				0	815,000	773,514	(41,486)					0
Total Revenues	915,733	1,017,143	1,020,670	104,937	1,788,575	1,690,319	(98,256)		0	32,286	32,286	32,286
<b>EXPENDITURES:</b>												
Support Services	928,602	915,012	901,220	27,382	2,000	1,782,937	2,000					0
Operation of Non-Instructional Services				0	1,877,757	1,784,512	94,820					0
Facilities Acquisition & Construction Services		115,000	111,672	(11,672)	1,500	1,575	(75)					0
Other Outlays				0								0
Total Expenditures	928,602	1,030,012	1,012,892	(84,290)	1,881,257	1,784,512	98,745		0	32,286	32,286	(32,286)
Revenues Over (Under) Expenditures	(12,869)	(12,869)	7,778	20,647	(92,682)	(94,193)	(1,511)		0	0	0	0
<b>OTHER FINANCING SOURCES (USES):</b>												
Return of Assets				0		1,576	1,576					0
Escrowed Warrants				0		19	19					0
Deobligation of Prior Year Funds			(289)	(289)								0
Total Other Financing Sources (Uses)	0	0	(289)	(289)	0	1,594	1,594		0	0	0	0
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(12,869)	(12,869)	7,489	20,358	(92,682)	(92,599)	83		0	0	0	0
Fund Balance, Beginning of Year	12,869	12,869	12,869	0	92,682	92,682	0		0	0	0	0
Fund Balance, End of Year	\$0	0	20,358	20,358	0	83	83		0	0	0	0

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

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS**  
**CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2015**

	<u>BOND FUND #31</u>	<u>BOND FUND #32</u>	<u>BOND FUND #33</u>	<u>BOND FUND #34</u>	<u>BOND FUND #35</u>	<u>TOTALS (Memorandum Only)</u>
<b><u>ASSETS</u></b>						
Cash and Cash Equivalents	<u>\$448,734</u>	<u>612,356</u>	<u>754,533</u>	<u>154,291</u>	<u>6,600,000</u>	<u>8,567,914</u>
Total Assets	<u>\$448,734</u>	<u>612,356</u>	<u>754,533</u>	<u>154,291</u>	<u>6,600,000</u>	<u>8,567,914</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>						
Liabilities:						
Warrants Outstanding	<u>\$29,977</u>	<u>290</u>	<u>7,129</u>			<u>37,396</u>
Reserved for Encumbrances	<u>80,354</u>		<u>9,194</u>	<u>4,291</u>		<u>93,839</u>
Total Liabilities	<u>110,331</u>	<u>290</u>	<u>16,323</u>	<u>4,291</u>	<u>0</u>	<u>131,235</u>
Fund Equity:						
Restricted for Capital Projects	<u>336,403</u>	<u>612,066</u>	<u>738,210</u>	<u>150,000</u>	<u>6,600,000</u>	<u>8,436,679</u>
Total Fund Equity	<u>336,403</u>	<u>612,066</u>	<u>738,210</u>	<u>150,000</u>	<u>6,600,000</u>	<u>8,436,679</u>
Total Liabilities and Fund Equity	<u>\$448,734</u>	<u>612,356</u>	<u>754,533</u>	<u>154,291</u>	<u>6,600,000</u>	<u>8,567,914</u>

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

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - REGULATORY BASIS**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	BOND FUND #31	BOND FUND #32	BOND FUND #33	BOND FUND #34	BOND FUND #35	TOTALS (Memorandum Only)
Revenues:						
Local Sources	\$0					0
Total Revenues Collected	0	0	0	0	0	0
Expenditures:						
Instruction	27,435	88,951	65,252		57,721	239,359
Support Services	138,285	41,608	18,054	488,959	49,334	734,238
Operation of Non-Instructional			5,747	30,000		35,747
Facilities Acquisition & Constr. Srv.	105,392	156,436		5,433,041	424,078	6,118,947
Total Expenditures	271,112	286,993	89,053	5,950,000	531,133	7,128,291
Excess of Revenues Over Expenditures	(271,112)	(286,993)	(89,053)	(5,950,000)	(531,133)	(7,128,291)
Other Financing Sources (Uses):						
Proceeds from Sale of Bonds					6,600,000	6,600,000
Total Other Financing Sources (Uses):	0	0	0	0	6,600,000	6,600,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(271,112)	(286,993)	(89,053)	(5,950,000)	8,068,867	(528,291)
Fund Balance, Beginning of Year	607,515	899,059	827,263	6,100,000	531,133	8,964,970
Fund Balance, End of Year	\$336,403	612,066	738,210	150,000	6,600,000	8,438,679

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

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS**  
**TRUST AND AGENCY FUNDS**  
**JUNE 30, 2015**

	<u>INSURANCE FUND</u>	<u>ACTIVITY FUND</u>	<u>TOTALS (Memorandum Only)</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	<u>\$34,007</u>	<u>571,111</u>	<u>605,118</u>
Total Assets	<u><u>\$34,007</u></u>	<u><u>571,111</u></u>	<u><u>605,118</u></u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>			
Liabilities:			
Warrants Outstanding	\$0	15,690	15,690
Reserved for Encumbrances			<u>0</u>
Total Liabilities	<u>0</u>	<u>15,690</u>	<u>15,690</u>
Fund Equity:			
Restricted for Insurance Puposes	34,007		34,007
Restricted for Student Activity Programs		<u>555,421</u>	<u>555,421</u>
Total Fund Equity	<u>34,007</u>	<u>555,421</u>	<u>589,428</u>
Total Liabilities and Fund Equity	<u><u>\$34,007</u></u>	<u><u>571,111</u></u>	<u><u>605,118</u></u>

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

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - REGULATORY BASIS  
TRUST AND AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>INSURANCE FUND</u>	<u>ACTIVITY FUND</u>	<u>TOTALS (Memorandum Only)</u>
<b>Revenues:</b>			
Local Sources	<u>\$64,278</u>	<u>1,102,480</u>	<u>1,166,758</u>
Total Revenues Collected	<u>64,278</u>	<u>1,102,480</u>	<u>1,166,758</u>
<b>Expenditures:</b>			
Instruction	6,924		6,924
Support Services	24,935		24,935
Non-Instructional Services		<u>1,082,535</u>	<u>1,082,535</u>
Total Expenditures	<u>31,859</u>	<u>1,082,535</u>	<u>1,114,394</u>
Excess of Revenues Over Expenditures	32,419	19,945	52,364
<b>Other Financing Sources (Uses):</b>			
Deobligation of Prior Year Funds			<u>0</u>
Total Other Financing Sources (Uses):	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	32,419	19,945	52,364
Fund Balance, Beginning of Year	<u>1,588</u>	<u>535,476</u>	<u>537,064</u>
Fund Balance, End of Year	<u>\$34,007</u>	<u>555,421</u>	<u>589,428</u>

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

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**REGULATORY BASIS - ACTIVITY FUND**  
**JULY 1, 2014 TO JUNE 30, 2015**

	Balance 7/1/14	Deposited	Transfers	Disbursed	Balance 6/30/15
Athletics	\$19,688.28	165,863.76	1,958.50	167,213.57	20,296.97
CHS Art	1,195.29	4,295.00	0.00	3,178.52	2,311.77
CHS KGI News	201.39	0.00	0.00	0.00	201.39
CHS Principles of Tech Ed	162.94	0.00	0.00	0.00	162.94
CHS Sophomore Class	149.32	0.00	(30.00)	0.00	119.32
CHS AP Testing	1,754.44	12,339.00	0.00	12,700.54	1,392.90
CHS Academic Team	1,498.97	2,926.00	0.00	2,223.02	2,201.95
CHS Junior Class	3,180.68	10,575.00	(25.00)	7,725.67	6,004.91
CHS Band	9,519.25	72,964.30	500.00	75,229.82	7,753.73
CHS Business	10,784.75	5,310.00	0.00	11,758.57	4,336.18
CHS FFA/Vo-Ag	4,754.71	40,248.50	0.00	40,902.52	4,100.69
CHS FHA/Home Ec	0.43	199.97	0.00	150.00	50.40
CHS Vocal Music	21.91	11,810.75	1,500.00	11,168.73	2,163.93
CHS Freshman Class	6.00	0.00	0.00	0.00	6.00
CHS Key Club	1,343.49	785.00	0.00	1,387.71	740.78
CHS Media Center	2,510.08	2,100.92	300.00	2,435.00	2,476.00
CHS Miscellaneous	16,051.88	15,788.44	(4,070.47)	22,634.70	5,135.15
CHS S.A.D.D.	1.47	0.00	0.00	0.00	1.47
CHS F.C.A.	126.45	0.00	337.05	382.58	80.92
CHS Honors Banquet	579.49	5,855.15	1,644.90	2,929.83	5,149.71
CHS Drama	7,809.35	70,169.48	(26,158.45)	32,502.46	19,117.92
CHS Cheer/Pom	762.21	8,750.47	(669.09)	6,719.89	2,123.70
CHS Senior Class	1,078.09	3,119.00	150.00	3,683.53	663.56
CHS Newspaper	41.48	260.00	597.61	885.37	13.72
CHS Special Ed.	329.95	0.00	0.00	0.00	329.95
CHS Foreign Language	464.15	0.00	(463.50)	0.00	0.65
CHS FTA	600.00	10,500.00	(600.00)	5,250.00	5,250.00
CHS Student Council	28,253.35	13,240.34	25.00	18,194.40	23,324.29
CHS Science	2,361.95	2,313.84	0.00	1,519.15	3,156.64
CHS Mathematics	367.28	0.00	0.00	0.00	367.28
CHS NHS	813.75	3,236.00	620.00	4,668.27	1.48
CHS Debate	109.77	1,753.00	1,219.45	2,068.28	1,013.94
CHS Yearbook/Picture	14,196.74	16,865.55	0.00	6,699.16	24,363.13
CHS Special	4,079.98	4,068.20	2,000.00	5,880.78	4,267.40
CHS Musical Theater	16,072.29	155.80	25,000.00	21,175.17	20,052.72
CHS Cats	2,959.78	6,515.02	0.00	6,831.26	2,643.54
CHS New ROTC	4,288.17	7,478.80	100.00	10,657.46	1,209.51
CHS Stuco Donations	6.50	0.00	0.00	0.00	6.50
CMS Mixed Chorus	1,613.34	13,762.20	(50.00)	13,003.22	2,322.32
CMS Cheerleading	119.22	0.00	(50.00)	0.00	69.22
CMS Miscellaneous	8,914.37	27,642.95	(1,650.00)	30,122.61	4,784.71
CMS Modern Living (Home E	1,362.37	1,506.75	(50.00)	1,253.14	1,565.98
CMS English Dept	4.81	0.00	0.00	0.00	4.81
CMS Science	31.23	0.00	0.00	0.00	31.23

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

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**REGULATORY BASIS - ACTIVITY FUND**  
**JULY 1, 2014 TO JUNE 30, 2015**

	Balance 7/1/14	Deposited	Transfers	Disbursed	Balance 6/30/15
CMS Sixth	1,080.84	1,926.50	0.00	1,720.14	1,267.00
CMS Band	1,392.32	17,730.40	(50.00)	17,983.70	1,089.02
CMS Sports Acct	100.00	2,009.00	0.00	1,793.38	315.62
CMS Special Olympics	1,740.30	2,171.40	0.00	2,691.85	1,219.85
CMS Academic Team	1,145.22	268.74	0.00	484.25	929.71
CMS Speech Club	33.83	230.00	(50.00)	176.41	37.42
CMS Yearbook/Pictures	12,717.66	9,050.80	(50.00)	8,056.08	13,662.38
CMS Student Council	1,787.92	2,508.38	(50.00)	3,669.49	576.81
CMS Media Center	1,865.08	9,149.76	2,679.42	8,558.46	5,135.80
CMS Art	48.56	830.00	0.00	740.00	138.56
CMS AIASA	1,987.78	385.00	0.00	1,233.40	1,139.38
CMS Nat'l Honor Society	3,632.47	2,771.28	(50.00)	3,684.61	2,669.14
CMS Special	457.22	4,079.67	0.00	4,289.44	247.45
CMS Explore	31.22	680.01	0.00	349.94	361.29
CMS Seventh	206.41	653.00	(600.00)	97.50	161.91
NPMS 6th Team A	1,731.64	1,956.00	1,103.40	2,257.48	2,533.56
NPMS 6th Team B	1,024.83	995.00	1,333.80	3,095.03	258.60
NPMS 7th Team A	2,198.67	4,794.32	202.20	5,851.97	1,343.22
NPMS 7th Team B	313.63	2,759.50	414.40	3,150.32	337.21
NPMS 8th Team A	1,770.25	3,829.42	(236.65)	3,545.79	1,817.23
NPMS NJHS	604.38	960.00	(500.00)	393.18	671.20
NPMS Miscellaneous	7,812.70	31,287.89	(3,903.40)	26,708.18	8,489.01
NPMS Special Education	377.88	476.15	0.00	456.00	398.03
NPMS Sports	4,576.53	21,862.65	(1,500.00)	16,974.67	7,964.51
NPMS Teachers Lounge	983.43	1,684.52	(400.00)	1,112.93	1,155.02
NPMS Band	8,905.17	22,377.27	0.00	21,298.75	9,983.69
NPMS FHS	1,230.40	6,920.50	(76.00)	6,732.18	1,342.72
NPMS Cheerleading	2,743.28	5,506.77	0.00	8,250.00	0.05
NPMS Art	2,561.67	1,769.00	0.00	1,650.06	2,680.61
NPMS 8th Team B	1,807.74	2,468.00	850.25	4,204.75	921.24
NPMS Student Council	1,115.68	4,471.09	0.00	3,088.89	2,497.88
NPMS P.E. Program	51.50	662.45	1,190.17	505.42	1,398.70
NPMS Computer	324.69	210.00	0.00	418.97	115.72
NPMS Vocal Music	1,428.00	7,419.51	0.00	8,718.78	128.73
NPMS Yearbook/Pictures	6,336.91	2,881.26	0.00	6,373.21	2,844.96
NPMS English	967.60	1,396.00	0.00	917.44	1,446.16
NPMS Drama	2,541.93	1,818.87	0.00	1,857.91	2,502.89
NPMS Science	449.79	110.00	0.00	0.00	559.79
NPMS Media Center	2,866.73	10,480.98	76.00	5,450.93	7,972.78
NPMS FCA	216.67	0.00	0.00	0.00	216.67
NPMS Builders Club	405.81	208.00	0.00	230.43	383.38
NPMS Wrestling	1,662.53	549.56	(1,190.17)	721.92	300.00
NPMS Academic Team	409.31	262.00	0.00	297.85	373.46
CE Misc	36,129.82	32,614.26	0.00	26,558.06	42,186.02

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

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**REGULATORY BASIS - ACTIVITY FUND**  
**JULY 1, 2014 TO JUNE 30, 2015**

	Balance 7/1/14	Deposited	Transfers	Disbursed	Balance 6/30/15
CE Special Olympics	2,193.43	6,084.33	130.00	5,303.70	3,104.06
CE Media Center	1,461.20	7,635.73	0.00	7,978.97	1,117.96
CE Search	966.50	1,850.05	0.00	1,127.42	1,689.13
CE Yearbook	1,944.35	2,621.50	0.00	0.00	4,565.85
CE Staff	3,420.64	1,184.75	0.00	1,049.90	3,555.49
NPE Capital Improvements	7,323.32	0.00	0.00	350.00	6,973.32
NPE Miscellaneous	6,567.00	15,191.51	0.00	14,076.27	7,682.24
NPE Yearbook/Pictures	13,257.07	4,850.95	0.00	5,567.64	12,540.38
NPE Media Center	4,246.09	9,937.29	0.00	8,486.24	5,697.14
NPE Special	7,087.67	1,883.98	0.00	2,054.82	6,916.83
IME Miscellaneous	4,686.78	34,358.78	(130.00)	21,718.15	17,197.41
IME Yearbook/Pictures	17,356.26	17,906.81	(740.00)	18,593.45	15,929.62
IME Teachers Lounge	3,001.22	3,758.68	0.00	1,104.19	5,655.71
IME Media Center	5,249.84	10,773.42	640.00	11,385.93	5,277.13
IME Special Fund	1,163.15	1,037.00	100.00	792.04	1,508.11
IME PE Program	5,386.12	7,994.00	0.00	8,083.13	5,296.99
LWW Miscellaneous	6,880.11	57,673.73	0.00	49,573.14	14,980.70
LWW Yearbook/Pictures	43,548.09	36,842.37	0.00	56,910.02	23,480.44
LWW Media Center	2,159.30	10,333.65	0.00	11,335.47	1,157.48
LWW Special	27.96	511.00	0.00	0.00	538.96
NPI Miscellaneous	316.74	1,183.68	0.00	1,400.86	99.56
NPI Falcon Footnotes	1,540.58	3,922.87	0.00	4,077.94	1,385.51
NPI Yearbook/Pictures	10,437.32	10,615.08	0.00	12,032.89	9,019.51
NPI Media Center	2,903.70	9,382.64	0.00	10,091.15	2,195.19
NPI Student Council	2,186.68	1,961.91	0.00	2,133.72	2,014.87
NPI Capital Improvements	7,999.58	0.00	0.00	7,999.58	0.00
JGI Miscellaneous	11,565.32	16,253.16	0.00	17,721.06	10,097.42
JGI Yearbook/Pictures	11,218.15	8,227.13	0.00	9,119.02	10,326.26
JGI Media Center	3,625.66	15,414.93	0.00	15,500.01	3,540.58
JGI Special	2,006.77	2,110.35	0.00	3,073.73	1,043.39
JGI Student Council	4,050.38	5,647.70	0.00	3,487.68	6,210.40
Indian Ed	1,102.85	10.00	0.00	0.00	1,112.85
Adm Felony Search	227.30	0.00	0.00	0.00	227.30
Administration Misc.	3,058.39	3,637.41	(800.00)	991.79	4,904.01
Clearing Account	0.00	4,621.00	148.48	4,769.48	0.00
RT Check	3,510.79	0.00	(2,729.42)	0.00	781.37
Admin Special	950.38	4,882.50	(148.48)	466.66	6,217.84
Musical Festival	1,809.17	0.00	0.00	0.00	1,809.17
Star Rider	43.90	0.00	0.00	0.00	43.90
District Nurses	173.46	0.00	1,400.00	71.82	1,501.64
Teacher of the Year	10,433.66	10,751.50	0.00	12,169.96	9,015.20
Admin Ret Account	249.61	0.00	0.00	154.36	95.25
Drug Testing	2,409.50	0.00	0.00	0.00	2,409.50
Admin Staff	0.00	155.00	0.00	50.00	105.00
AA Wallis Scholarship	24,003.48	0.00	0.00	623.08	23,380.40
Summer School	0.00	800.00	800.00	725.98	874.02
District Stern	0.00	900.00	0.00	900.00	0.00
	<u>\$535,476.32</u>	<u>1,102,480.29</u>	<u>(0.00)</u>	<u>1,082,535.83</u>	<u>555,420.78</u>

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



**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Project Code	Federal CFDA Number	Program or Award Amount	Cash/ Beginning Balance at July 1, 2014	Federal Receipts	Federal Expenditures Direct Costs	Indirect Costs	Cash/ Ending Balance at June 30, 2015
<b>Direct Funding:</b>								
Title IX Indian Education	661	84.080						
Title IX Indian Education - Prior Year	799	84.060	\$123,020.00		123,020.00	123,020.00		0.00
ROTC	771	12.000	56,424.52	(17,332.66)	17,332.66			0.00
Impact Aid	591	84.041	250,749.01		56,424.52	56,424.52		0.00
Impact Aid - Prior Year	799	84.041		(107,168.94)	143,580.07	250,749.01		(107,168.94)
Impact Aid	592	84.041	16,810.50		107,168.94			0.00
Sub-total			<u>430,193.53</u>	<u>(124,501.60)</u>	<u>16,810.50</u>	<u>18,810.50</u>	<u>0.00</u>	<u>0.00</u>
					<u>447,525.19</u>	<u>430,193.53</u>	<u>0.00</u>	<u>(107,168.94)</u>
<b>U.S. Department of Education:</b>								
Passed through the Department of Education:								
Title I	511	84.010	653,565.28		604,582.76	653,565.28		(48,982.52)
Title I - Prior Year	799	84.010		(34,668.33)	34,668.33			0.00
Title I CAC	786	84.010	18,179.28		18,179.28	18,179.28		0.00
Title I CAC - Prior Year	799	84.010		(6,548.94)	6,548.94			0.00
Title I Cluster			<u>671,744.56</u>	<u>(41,317.27)</u>	<u>664,079.31</u>	<u>671,744.56</u>	<u>0.00</u>	<u>(48,982.52)</u>
Title II, Part A	541	84.367	115,272.24		104,773.76	115,272.24		(10,498.48)
Title II, Part A - Prior Year	799	84.367		(18,264.38)	16,264.38			0.00
Title II CAC	786	84.367	14,157.00		14,157.00	14,157.00		0.00
Title II CAC - Prior Year	799	84.367		(4,607.93)	4,607.93			0.00
Title II Part B	545	84.366	32,285.93		32,285.93	32,285.93		0.00
Title II Cluster			<u>161,715.17</u>	<u>(20,872.31)</u>	<u>172,089.00</u>	<u>161,715.17</u>	<u>0.00</u>	<u>(10,498.48)</u>
IDEA-B Flow Through	621	84.027	1,171,470.41		1,151,802.87	1,171,470.41		(19,667.54)
IDEA-B Flow Through - Prior Year	799	84.027		(19,278.77)	19,278.77			0.00
IDEA-B Pre-School	641	84.173	29,368.99		29,368.99	29,368.99		0.00
Special Education Cluster			<u>1,200,839.40</u>	<u>(19,278.77)</u>	<u>1,200,450.63</u>	<u>1,200,839.40</u>	<u>0.00</u>	<u>(19,667.54)</u>
Passed through Oklahoma State Department of Vocational Technical Training								
Carl Perkins - Secondary	421	84.048	15,763.16		0.00	15,763.16		(15,763.16)
Carl Perkins - Secondary - Prior Year	799	84.048		(25,839.00)	25,839.00			0.00
Carl Perkins - Supplemental	424	84.048	74,523.78		0.00	74,523.78		(74,523.78)
Carl Perkins - Supplemental - Prior Year	799	84.048		(39,692.29)	39,692.29			0.00
Rehabilitation Services	458	84.125	870.00		870.00			0.00
Sub-total			<u>91,156.94</u>	<u>(65,231.29)</u>	<u>66,101.29</u>	<u>90,286.94</u>	<u>0.00</u>	<u>(89,416.94)</u>
<b>U.S. Department of Agriculture:</b>								
Passed Through the State Department of Education								
Food Service Programs - Lunches	763	10.555	600,694.50		600,694.50	600,694.50		0.00
Food Service Programs - Breakfasts	764	10.553	172,819.53		172,819.53	172,819.53		0.00
USDA Donated Food	385	10.550	36,845.10		36,845.10	36,845.10		0.00
Child Nutrition Cluster			<u>810,359.13</u>	<u>0.00</u>	<u>810,359.13</u>	<u>810,359.13</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Federal Assistance</b>								
			<u>\$3,366,008.73</u>	<u>(271,201.24)</u>	<u>3,360,605.55</u>	<u>3,365,138.73</u>	<u>0.00</u>	<u>(275,734.42)</u>

Note A: Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Choctaw/Nicoma Park Public Schools District and is presented on another comprehensive basis of accounting conforming with the accounting practices prescribed or permitted by the Oklahoma State Department of Education which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this method, expenditures are recognized when an approved purchase order is issued.

Note B: Commodities representing non-cash expenditures have been included in the Schedule of Federal Awards which is an exception to the prescribed basis of accounting.

Note C: Federal expenditures reported above were chargeable to the respective Federal programs, however, in some instances, they may not be identical to amounts recorded under the specific OAS project codes in the District's accounting records. Common reasons for those variances include: (1) timing differences, (2) differences in basis of accounting utilized, (3) mis-coding to other project codes, (4) refunds or reimbursements that offset expenditure data, (5) matching (or other local) expenditures that supplement or exceed Federal awarded amounts, and (6) approved indirect costs which are recorded under separate project codes.

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

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
SCHEDULE OF STATUTORY, FIDELITY, AND HONESTY BONDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Jim McCharen - Superintendent**

**Employee Dishonesty Bond  
RLI Insurance Company Policy No. LSM0116468  
\$100,000.00 Limit  
Effective: From July 1, 2014 to June 30, 2015**

**Kevin Berry – Treasurer**

**Employee Dishonesty Bond  
RLI Insurance Company Policy No. LSM0116664  
\$250,000.00 Limit  
Effective: From July 1, 2014 to June 30, 2015**

**Public Officials Blanket Policy  
Employee Dishonesty Bond  
(Bond includes but not limited to Encumbrance Clerk, Payroll Clerk & Activity Fund Custodian)  
Traveler's Insurance Policy No. PE-4616538-02  
\$50,000.00 Limit  
Effective: From July 1, 2014 to July 1, 2015**

## **INTERNAL CONTROL AND COMPLIANCE REPORTS**

**PUTNAM & COMPANY, PLLC**

**Certified Public Accountants**

169 E. 32<sup>ND</sup>

EDMOND, OKLAHOMA 73013

(405) 348-3800

Fax (405) 348-3846

**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***

January 28, 2016

The Honorable Board of Education  
Choctaw/Nicoma Park School District No. 4  
Oklahoma County, Oklahoma

We 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 within the combined financial statement of Choctaw/Nicoma Park School District No. 4, Oklahoma 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 our report thereon dated January 28, 2016, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in 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, our report was qualified for the omission of 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 our audit of the financial statements, we 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our 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 our audit we did not identify any deficiencies in internal control that we 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; we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, compliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our 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 internal 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.

*Putnam & Company*  
Putnam & Company, PLLC

**PUTNAM & COMPANY, PLLC**  
**Certified Public Accountants**  
169 E. 32<sup>ND</sup>  
EDMOND, OKLAHOMA 73013  
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**Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Controls over Compliance In Accordance with  
*Office of Management and Budget Circular A-133***

January 28, 2016

The Honorable Board of Education  
Choctaw/Nicoma Park School District No. 4  
Oklahoma County, Oklahoma

**Report on Compliance for Each Major Federal Program**

We have audited Choctaw/Nicoma Park School District No. 4, Oklahoma County, Oklahoma, compliance with the types of compliance requirements described in the OMB Circular A-133 compliance Supplement that could have a direct material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the district's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District, complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

## Report on Internal Control Over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance the types of compliance requirements referred to above. In planning and performing our audit, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Putnam & Company*  
Putnam & Company, PLLC

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**



**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Section I -- Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued: Qualified due to regulatory basis presentation.

Internal control over financial reporting:

\* Material weakness(es) identified? \_\_\_\_\_ Yes   X   No  
\* Significant Deficiency(ies) identified  
not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   None Reported

Noncompliance material to financial statement noted? \_\_\_\_\_ Yes   X   No

***Federal Awards***

Internal control over major programs:

\* Material weakness(es) identified? \_\_\_\_\_ Yes   X   No  
\* Significant Deficiency(ies) identified  
not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   None Reported

Type of auditors' report issued on compliance for  
Major programs

Unqualified

Any audit findings disclosed that are required to  
be reported in accordance with section 510 (a)  
of OMB Circular A-133?

\_\_\_\_\_ Yes   X   No

Identification of major programs:

CFDA Number

Name of Federal Program

84.010  
84.027  
84.173  
10.555, 10.553, 10.550

Title I  
IDEA Flowthrough  
IDEA Preschool  
Food Service

Dollar threshold used to distinguish between type  
A and type B programs

\$300,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes   X   No

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Section II – Findings Relating to the Financial Statements**

None

**Section III – Findings and Questioned Costs for Federal Awards**

N/A

**Section IV – Status of Prior Year Audit Findings**

None related to the financial statements or questioned costs for federal awards.

**Section V – Management's Corrective Action Plan**

N/A

**ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT**

**Schedule of Accountants' Professional Liability Insurance Affidavit  
For the Year Ending June 30, 2015**

County of Oklahoma

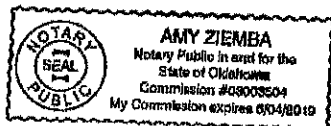
) ss

**Putnam & Company, PLLC**

JA Outnam CAA

Subscribed and sworn to before me on this 26<sup>th</sup> day of January, 2016.  
My commission expires on 4<sup>th</sup> day of June, 2019.

*Conny Ziemba*  
Notary Public  
Commission No. 03003504



**MANAGEMENT LETTER AND COMMENTS**

**PUTNAM & COMPANY, PLLC**

CERTIFIED PUBLIC ACCOUNTANTS

169 S.E. 32ND

EDMOND, OKLAHOMA 73013

(405) 348-3800

fax (405) 348-3846

January 28, 2016

The Honorable Board of Education  
Choctaw/Nicoma Park School District No. 4  
Oklahoma County, Oklahoma

We have audited financial statements of Choctaw/Nicoma Park School District No. 4, Oklahoma County, Oklahoma, as of and for the year ended June 30, 2015, as listed in the table of contents, and have issued our report thereon dated January 28, 2016. As a part of our audit, we made a study and evaluation of the District's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However, during our audit we became aware of some matters that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated January 28, 2016 on the financial statements of Choctaw/Nicoma Park School District No. 4.

We will review the status of these comments during our next audit engagement. We would be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We also wish to express our appreciation of the courteous attention and cooperation which we received from staff members during our engagement.

Sincerely,



Jerry W. Putnam

**CHOCTAW/NICOMA PARK SCHOOL DISTRICT NO. 4  
OKLAHOMA COUNTY, OKLAHOMA  
MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**PRIOR YEAR'S COMMENTS AND RECOMMENDATIONS**

The prior year's comments have been addressed and resolved.

**CURRENT YEAR'S COMMENTS AND RECOMMENDATIONS**

**REVIEW OF PURCHASE ORDERS AND PAYMENTS**

Our review of the purchase orders indicated that in almost every instance the purchase orders were properly approved and supported with adequate documentation. However we noted the following during our review:

<b><u>Findings</u></b>	<b><u>No. of Instances</u></b>
Invoice Date Before P.O. Date	1
Incomplete Documentation	4
Paid Sales Tax	1

**REVIEW OF ACTIVITY FUND TRANSACTIONS**

During our review of the Activity Fund transactions we noted that the transactions were well documented. However we noted the following during our review:

<b><u>Findings</u></b>	<b><u>No. of Instances</u></b>
Incomplete Documentation	1
Purchased Gift Cards	1

**DISTRICT'S RESPONSE TO AUDIT COMMENTS/CORRECTIVE ACTION PLAN**

The District is generally in agreement with the finding and recommendations above and will review current procedures in order to implement necessary changes.

# CHOCTAW-NICOMA PARK PUBLIC SCHOOLS

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Jim McCharen Ed.D. • Superintendent  
12880 N.E. 10<sup>th</sup> • Choctaw, OK 73020  
Office: (405) 769-4859 • Fax: (405) 769-9821

Mr. Jerry Putnam  
Putnam Company  
169 S.E. 33rd  
Edmond, OK 73020

February 8, 2016

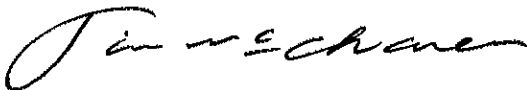
RE: Management Letter Comments Response

Dear Mr. Putnam:

This letter serves as a response and proposed corrective action to the Management Letter Comments in the FY 2014-15 Annual Audit for Choctaw-Nicoma Park Public Schools. The district is in general agreement with the findings of the audit and our administration and staff is aware of the issues that were noted.

The adverse issues noted in the audit are very minor and the district will strive to address and resolve all these issues as noted in the Audit. Our corrective plan is to continue to review and amend our procedures from time-to-time so that we can better control and correct the circumstances that contribute to errors and omissions as noted in the adverse findings. More specifically, we will continue to make our employees aware of the financial guidelines, laws and procedures pertaining to the procurement goods and services. We believe this should correct most, if not all, the adverse issues and findings.

Sincerely,



Dr. Jim McCharen  
Superintendent

cc: State Dept. of Education – Financial Accounting

*Expect Excellence*



REGULAR MEETING – MONDAY, FEBRUARY 8, 2016 – 7 P.M.  
CHOCTAW/NICOMA PARK BOARD OF EDUCATION  
Independent District 4, Oklahoma County, Oklahoma  
Place of Meeting  
Nicoma Park Intermediate School, 1318 N. Hickman, Choctaw, OK 73020

A G E N D A


1.     **Call to Order – 7 p.m.**                     Ms. Janice Modisette, President  
       Roll Call of Members:                 Mr. Don Alsup, Vice President  
  Ms. Elizabeth Parker, Clerk  
  Ms. Pamela Matherly, Asst. Clerk  
  Mr. Daryl Crusoe, Member
2.     Consideration and possible vote to approve agenda.
3.     Consideration and possible vote to approve January 12, 2016 board meeting minutes.
4.     Presentation of CPR Kit to Choctaw High School by Matt Henson, Alliance Health Midwest.
5.     Presentation of retirement plaque to Alma Goines.
6.     **COMMUNICATIONS:**
  - A.     ACT President Comments
  - B.     ESPO President Comments
  - C.     Comments From the Floor (regarding agenda items)
7.     **EXECUTIVE SERVICES: Superintendent & Board Members**
  - A.     Superintendent's Comments
  - B.     Board Members' Comments
8.     **BUSINESS SERVICES: Kevin Berry, Director of Finance**
  - A.     Business Manager's Report
  - B.     Consideration and possible vote to approve encumbrances.
  - C.     Consideration and possible vote to approve financial audit for school year 2014-15.
  - D.     Consideration and possible vote to approve Putnam and Company to perform the financial audit for FY 2015-16.
  - E.     Approval of a new activity fund account for Choctaw/Nicoma Park Schools Museum.
9.     **Consent Agenda:** The following items will be approved/accepted by one vote unless a member wishes to address and act upon an item separately:  
       a) Activity Fund Warrants, Summary, Transfers; b) Appropriated Fund Transfers
10.    **INSTRUCTIONAL SERVICES: Donna Cooper, Exec. Director for Student Services/Instruction**
  - A.     Consideration and possible vote to approve the District College Remediation Report.
  - B.     Consideration and possible to approve Math Credit Agreement with EOC Tech Center.
  - C.     Consideration and possible vote to approve Science Credit Agreement with EOC Tech Center.
  - D.     Nicoma Park Middle Intermediate Report –Misti Tye, Principal.
11.    **PERSONNEL SERVICES:** Consideration and possible vote to meet in executive session in accordance with 25 O.S. Sec. 307 (B)(1) discussing the employment, hiring, appointment, promotion, demotion, disciplining or resignation of employees as listed on Attachment A – Personnel Report; and in accordance with 25 O. S. Section 307 (B) (2) to discuss employee negotiations.
12.    Vote to return to open session.

13. Consideration and possible vote to approve certified resignations as listed on Personnel Report – Attachment A.
14. Consideration and possible vote to approve support recommendations as listed on Personnel Report – Attachment A.
15. Consideration and possible vote to approve support resignation as listed on Personnel Report – Attachment A.
16. Consideration and possible vote to approve the reemployment of Central Office Administrators as listed on Personnel Report – Attachment A.
17. New Business. (25 O.S. Section 311(A)(9) As used herein, shall mean any matter not known about or which could not have been reasonable foreseen prior to the time of posting agenda).
18. Adjournment

Agenda posted:  
Location:

Friday, February 5 , 2016 by 4 o'clock p.m.  
Front door at Administration Building, inside lobby Bulletin Board

Posted by:

  
\_\_\_\_\_  
Minutes Clerk

**MINUTES OF FEBRUARY 8, 2016 REGULAR MEETING – 7:00 P.M.**  
**CHOCTAW/NICOMA PARK BOARD OF EDUCATION**  
Ind. Dist. 4, Oklahoma County, Oklahoma

Place of Meeting  
Nicoma Park Intermediate School – 1318 N. Hickman, Choctaw, OK 73020

Janice Modisette, President called the meeting to order at 7:00 p.m. Roll call established members present: Don Alsup Vice President, Elizabeth Parker, Clerk, Pamela Matherly, Assistant Clerk and Daryl Crusoe, member.

Ms. Modisette called for consideration and approval of the agenda. Mr. Alsup moved and Ms. Parker seconded to approve the agenda. The vote was unanimous.

Ms. Matherly moved and Mr. Crusoe seconded, to approve the January 12, 2016 board meeting minutes. The vote was unanimous.

Dr. McCharen introduced Emily Kezbers and other representatives from Alliance Health Midwest who would be making a donation to Choctaw High School. Ms. Kezbers reported that due to the new state mandates, all graduating seniors would be required to complete a CPR training course. Alliance Health Midwest donated a CPR training kit that included 20 CPR dolls and training videos. The training will take approximately 30 minutes to complete and seniors will received that level of CPR training that is required by the state.

Dr. McCharen stated that Westfall Elementary Custodian, Alma Goines was present this evening to receive her retirement plaque. Ms. Goines has been with the district for 26 years and her last day of employment will be on February 29<sup>th</sup>. WE Principal, Brenda Stanley, stated that she is going to miss Alma. She has been an exceptional employee and has always helped in any area that is needed.

There were no comments from ACT.

There were no comments from ESPO.

There were no comments from the floor on agenda items.

Dr. McCharen reported on the following:

- I would like to thank Misti and her staff for hosting this evening's board meeting and also Mrs. Craig for the great performance by the NPI students before the meeting.
- Once again, I would like to publicly thank Dr. Underwood and EOC Tech for running the technology bond issue and the patrons in CNP, Harrah, Luther, and Jones for voting and approving the issue with over an 80 percent yes vote. This will not only continue our internet service at all nine (9) schools but will also increase the bandwidth for faster internet at no cost to our district.
- Winter sports and activities will be winding down and playoffs will be starting over the next few weeks. Our CHS Girls basketball team and our wrestling team are both still ranked in the top 5 in the State in 6A and both have a decent chance to win a State Championship. Our CNP Middle School winter sports will wrap-up this week and their basketball and wrestling teams have been very successful also. Congratulations to the CHS academic team and their coach, Paula Sendall for qualifying for the Academic State Tournament for the second year in a row. Also, our CHS Winter Guard team has been having great success at their contest and beat Tulsa Union for the first time ever at a contest last week.
- The legislative session began last week. Obviously, the devastating declining state revenues are the pressing topic. The past several legislative sessions have shown us with the current governor and legislative majority probably nothing will be done to solve our revenue problems other than blame everything on the unbelievable low oil prices. Which certainly plays a big part of our revenue problem but there are plenty of other revenue streams that could be tapped but aren't because of politics. We weren't getting any new money when oil was \$100 dollars a barrel three years ago so it's obvious there is not a sincere effort to help public education's financial crises. And the news gets worse. The January state revenues were one of the lowest on record and we are expecting the office of state finance to announce another state revenue failure this week and cut our allocations another 2 to 3 percent on top of the 3 percent we took a month ago. So we'll keep working on a plan to survive the cuts and keep doing the best we can with the money we have.
- All of our Great Expectations evaluations were completed and all six (6) of our elementary schools were named Great Expectations Model Schools. We are seeing the long term dividends of this culture at CHS. These six (6) schools will be recognized at a program at UCO in the fall.
- Monday is President's Day and students will be out of school but teachers will have a daylong professional development day.

There were no comments from board members.

Kevin Berry, Director of Finance, stated that Amy Ziemba from Jerry Putnam's office was present this evening to review the district's financial audit. Each board member was given a copy of the audit and Ms. Ziemba gave a brief overview. Ms. Ziemba stated that it was overall a very good audit. She stated on the back page of the audit, the items that were found were listed and they were simple items that occur at most school. An example of the items was problems with PO dates and needing more information on the description of items.

Ms. Matherly moved, seconded by Mr. Alsup to approve encumbrances. Approved were the following: Fund 11 – No's 735-798 - \$37,594.83; Fund 21 – No's 126-127 - \$850.00; Fund 22 - No's 81-86 - \$37,586.80; Fund 31 – No's 014-016 - \$18,329.50, Fund 32 – No's 032-033 - \$10,405.00 Fund 33 – No's 38-43 - \$8,771.44 and Fund 86 – No. 002 - \$1,250.00. The vote was unanimous.

~ Mr. Alsup moved, seconded by Ms. Parker to approve the financial audit for school year 2014-15. The vote was unanimous.

Ms. Matherly moved, seconded by Mr. Crusoe, to approve Putnam and Company to perform the financial audit for the 2015-16 school year. The vote was unanimous.

Ms. Parker moved, seconded by Mr. Alsup, to approve a new activity fund account for Choctaw/Nicomia Park Schools Museum. The vote was unanimous.

Mr. Crusoe moved, seconded by Mr. Alsup to approve the consent agenda. The vote was unanimous.

Ms. Parker moved, seconded by Mr. Crusoe, to approve the District College Remediation Report. The vote was unanimous.

Ms. Matherly moved, seconded by Mr. Alsup, to approve the Math Credit Agreement with EOC Tech Center. The vote was unanimous.

Ms. Parker moved, seconded by Ms. Matherly, to approve the Science Credit Agreement with EOC Tech Center. The vote was unanimous.

Donna Cooper, Executive Director of Student Services/Curriculum, stated that on Monday an in-service would be held for all certified staff at the PAC. She stated that the speaker is a very upbeat and motivational speaker. Ms. Cooper introduced Misti Tye, NPI Principal to give a brief presentation. Ms. Tye stated that it was honor to host the school board meeting this evening and welcomed everyone to NPI. Ms. Tye stated that this year's theme at NPI was "Think Outside – No Box Required". She stated that the staff at NPI has been focused on work more collaboratively. The PLC's started meeting in the mornings this year to maximize time. She reported that all staff members are also members of a vertical team. These teams meet once a month. Ms. Tye also spoke about their program "NPI Writes" – which stands for Writing Regularly Improves the Excellence. She stated that every student at NPI is writing and each quarter a different style of writing is used. She reported that it is phenomenal how much of a difference this writing program has made. Ms. Tye closed by stating that NPI is very proud of the progress that they have made as a Great Expectations Model School.

At 7:45 p.m. with a motion made by Ms. Matherly and seconded by Mr. Alsup, the board voted to meet in executive session. The vote was unanimous.

At 8:45 p.m., Ms. Matherly moved to return from open session, seconded by Mr. Crusoe. The vote was unanimous.

Mr. Alsup moved, seconded by Ms. Matherly, to approve certified resignations of: Austin Quinton, effective 1/29/16 and Janice Parrish (retire), effective 3/8/16. The vote was unanimous.

Mr. Alsup moved, seconded by Ms. Matherly, to approve support recommendations of: Jennifer Montgomery, effective 2/1/16, Dana Hearrell, effective 1/12/16 and Ina Belmonte, effective 3/1/16. The vote was unanimous.

Mr. Alsup moved, seconded by Ms. Matherly to approve support resignations of: Larry Harris, effective 1/29/16; Mary Harrison, effective 1/29/16; Shelbi Tran, effective 1/29/16; and Darlene Bechtold, effective 2/12/16.

Mr. Crusoe moved, seconded by Ms. Parker to approve the reemployment of Central Office Administrators for the 2016/17 school year: Gary Berglan, Kevin Berry and Donna Cooper. The vote was unanimous.

There being no further business, the board meeting adjourned upon unanimous consent of the members at 8:49 p.m. following a motion made by Ms. Matherly and seconded by Ms. Parker. The vote was unanimous.

BOARD OF EDUCATION:

Janice Modisette, President	Don Alsup, Vice President	Elizabeth Parker, Clerk
Pamela Matherly, Asst. Clerk	Daryl Crusoe, Member	

**Joy Hofmeister**  
**State Superintendent of Public Instruction**  
**Oklahoma State Department of Education**  
**2500 North Lincoln Boulevard, Oklahoma City, Oklahoma 73105-4599**

**AUDIT ACKNOWLEDGMENT**

**Choctaw/Nicoma Park School District, Number I-4**  
**Oklahoma County, Oklahoma**  
**For The Fiscal Year Audited 2014-15**

The annual independent audit for the Choctaw-Nicoma Park Public School District, was presented to the Board of Education in an Open Board Meeting on February 8, 2016, by

Putnam & Company, PLLC  
Independent Auditor

\_\_\_\_\_  
Auditor's Signature

The Board acknowledges that as the governing body of the district, responsible for the districts financial and compliance operations, the audit findings and exceptions that have been presented to them.

A copy of the audit, including this acknowledgment form, will be sent to the Oklahoma State Department of Education within 30 days from its presentation, as stated in 70 O.S. 22-108:

"The district board of education shall forward a copy of the auditor's opinions and related financial statements to the State Board of Education and the State Auditor and Inspector within thirty (30) days after receipt of the audit."

J. Hofmeister  
Superintendent of Schools

Janice G. Goddette  
Board of Education President

James P. Allyn  
Board of Education Vice President

Pamela Mathedy  
Board of Education Member

Elwood R. Rucker  
Board of Education Member

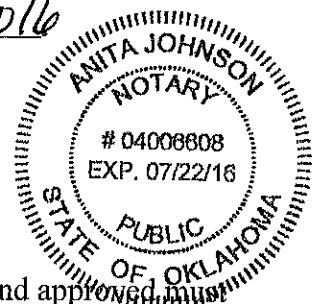
Donna C.  
Board of Education Member

\_\_\_\_\_  
Board of Education Member

Subscribed and sworn to before me on this 8<sup>th</sup> day of February, 2016

My commission expires on 22<sup>nd</sup> day of July, 2016

Anita Johnson  
Notary Public



A copy of the Board Agenda and Board Minutes where the audit was presented and approved must accompany the audit.