

Financial Statements
of
Putnam City Public Schools Foundation, Inc.
For the Years Ended June 30, 2012 and 2011



To the Board of Trustees of

Putnam City Public Schools Foundation, Inc.

We have audited the accompanying statements of financial position of Putnam City Public Schools Foundation, Inc. (a nonprofit organization) as of June 30, 2012 and June 30, 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Putnam City Public Schools Foundation's management. Our responsibility is to express an opinion on these financial statements based upon 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Putnam City Public Schools Foundation as of June 30, 2012 and June 30, 2011, and the statement of activities and cash flows thereof for the years then ended in conformity with accounting principals generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary schedule of functional expenses has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements as a whole.

Cox Holsted & Associates
Oklahoma City, Oklahoma
February 13, 2013

Putnam City Public Schools Foundation, Inc.
 Statements of Financial Position
 June 30, 2012 and 2011

Assets

	2012	2011
Cash and Cash Equivalents	\$ 14,904	\$ 15,808
Certificates of Deposit	50,296	49,796
Investments (Note 4)	338,522	383,369
Inventory	313	313
Other Assets	4,520	14,089
Property and Equipment (Note 1)	0	179
Beneficial Interest in Assets Held by Others (Notes 3 and 4)	241,824	249,689
Assets Restricted for Permanent Endowment	49,309	46,117
	\$ 699,688	\$ 759,360
<u>Total Assets</u>		

Liabilities and Net Assets

Liabilities

Accounts Payable	\$ 3,403	\$ 4,403
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Net Assets

Unrestricted	511,061	568,753
Temporarily Restricted	135,915	140,087
Permanently Restricted	49,309	46,117
	696,285	754,957

Total Net Assets

Total Liabilities and Net Assets

	\$ 699,688	\$ 759,360
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See the accompanying independent auditors' report.

Putnam City Public Schools Foundation, Inc.
 Statements of Activities
 Year Ended June 30, 2012 and 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Total	2011 Total
<u>Revenues, gains and other support</u>					
Contributions	\$ 89,461	\$ 206,732	\$ 3,332	\$ 299,525	214,346
Special Events	76,166	0	0	76,166	75,559
Net Investment Income (Note 4)	16,296	1,093	360	17,749	120,393
Released From Restriction By Payment	0	0	0	0	0
<u>Total revenues, gains and other support</u>	<u>\$ 181,923</u>	<u>\$ 207,825</u>	<u>\$ 3,692</u>	<u>\$ 393,440</u>	<u>\$ 410,298</u>
<u>Expenses</u>					
Program Services	\$ 153,100	\$ 211,997	\$ 500	\$ 365,597	\$ 228,798
Fundraising	57,063	0	0	57,063	51,897
Management and General	29,452	0	0	29,452	28,829
<u>Total Expenses</u>	<u>\$ 239,615</u>	<u>\$ 211,997</u>	<u>\$ 500</u>	<u>\$ 452,112</u>	<u>\$ 309,524</u>
<u>Change in Net Assets</u>	<u>\$ (57,692)</u>	<u>\$ (4,172)</u>	<u>\$ 3,192</u>	<u>\$ (58,672)</u>	<u>\$ 100,774</u>
<u>Net Assets at Beginning of Year</u>	<u>568,753</u>	<u>140,087</u>	<u>46,117</u>	<u>754,957</u>	<u>654,183</u>
<u>Net Assets at End of Year</u>	<u>\$ 511,061</u>	<u>\$ 135,915</u>	<u>\$ 49,309</u>	<u>\$ 696,285</u>	<u>\$ 754,957</u>

See the accompanying independent auditors' report.

Putnam City Public Schools Foundation, Inc.
 Statements of Cash Flows
 For the Years Ended June 30, 2012 and 2011

	2012	2011
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ (58,672)	\$ 110,774
Adjustments to reconcile to Net Cash from Operating Activities:		
Depreciation and Amortization	179	214
Unrealized (Gain) Loss- Investments	20,466	(58,057)
Realized (Gain) Loss- Investments	(8,581)	(61,940)
Change in Assets and Liabilities:		
Other Assets	9,569	9
Beneficial Interest in Assets Held by Others (Less Unrealized Loss)	(7,865)	10,626
Accounts Payable	(1,000)	(2,070)
 <u>Total Adjustments</u>	 \$ 12,768	 \$ (111,218)
 <u>Net Cash Provided By Operating Activities</u>	 \$ (45,904)	 \$ (444)
 <u>Cash Flows from Investing Activities</u>		
Additions to Investments (Net of Expenses)	0	(28,333)
Withdrawals from Investments	45,000	20,000
<u>Net Cash Used By Investing Activities</u>	45,000	(8,333)
 <u>Cash Flows from Financing Activities</u>		
<u>Net Cash Provided By Financing Activities</u>	0	0
 <u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	 (904)	 (8,777)
 <u>Cash and Cash Equivalents at Beginning of Year</u>	 15,808	 24,585
 <u>Cash and Cash Equivalents at End of Year</u>	 \$ 14,904	 \$ 15,808

See the accompanying independent auditors' report.

Putnam City Public Schools Foundation, Inc.
Notes to Financial Statements
June 30, 2012

Note 1 - Summary of Significant Accounting Policies

Nature of Organization

The Putnam City Public Schools Foundation, Inc., (the "Foundation") is a nonprofit corporation organized for the purpose of receiving and administering gifts for the ultimate benefit of the Putnam City Schools.

Financial Statement Presentation

The Foundation has adopted Statement of Financial Accounting Standards ("SFAS") No. 117, "Financial Statements for Not-For-Profit Organizations." Under SFAS 117, the Foundation is required to report information regarding its financial position and activities according to these classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions

The Foundation has adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under SFAS No. 116, restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets when expended for donor restricted purposes.

Investments

The Foundation utilizes SFAS No. 124, "Accounting for Certain Investments Held by Not-For-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets.

Transfers of Assets

The Foundation utilizes SFAS No. 136, "Transfers of Assets to a Not-For-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others," in relation to funds the Foundation has previously transferred to the Oklahoma City Community Foundation, Inc. The market value of these funds are recorded as an asset by the Foundation. The change in value is recorded in the Statement of Activities. Distributions from the fund are treated as return of capital.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

See the accompanying independent auditors' report.

Putnam City Public Schools Foundation, Inc.
Notes to Financial Statements
June 30, 2012

Note 1 - Summary of Significant Accounting Policies (continued)

Inventory

Inventories are stated at the lower of cost, determined by the first in, first out method, or market.

Cash Flows

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are stated at cost less an allowance for depreciation utilizing rates based on the estimated useful lives of the respective assets on the straight line method.

	2012	2011
Office Equipment	\$ 9,699	\$ 9,699
Acc. Dep. - Office Equipment	(9,699)	(9,520)
<u>Net Property and Equipment</u>	<u>\$ 0</u>	<u>\$ 179</u>

Note 2 - Income Taxes

The Foundation is exempt from federal income taxes under the Internal Revenue Code Section 501(c)(3); therefore, no provision for income taxes is reflected in the accompanying financial statements. The Foundation is not classified as a private foundation.

Note 3 - Beneficial Interest in Assets Held by the Oklahoma City Community Foundation, Inc.

In 1992, a fund was established with the Oklahoma City Community Foundation, Inc. The Foundation has made transfers to that fund since 1992. The Oklahoma City Community Foundation, Inc. is the owner of the funds and has been granted variance power by the Foundation. Under the terms of the agreement, the Oklahoma City Community Foundation, Inc. distributes 5% of the value of the fund annually to the Foundation. The value of this fund at June 30, 2012 and 2011 was \$241,824 and \$249,689, respectively, and is included in the investments in the Statement of Financial Position (see also Note 4). The change in market value is reported in the Statement of Activities. The cumulative amount recognized in the Statement of Financial Position is recorded as an interest in the net assets of the Oklahoma City Community Foundation.

Unrelated donors have agreed to match certain amounts transferred to the Oklahoma City Community Foundation, Inc. by the Foundation. These amounts are not treated as an asset of the Foundation. The Oklahoma City Community Foundation, Inc. has agreed to distribute 5% of the market value of these funds to the Foundation on an annual basis. When received, the funds are recorded as investment income in the Statement of Activities.

See the accompanying independent auditors' report.

Putnam City Public Schools Foundation, Inc.
Notes to Financial Statements
June 30, 2012

Note 4 - Investments

Investments are stated at fair value and are summarized as follows:

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
Investments - Putnam City Public Schools Foundation, Inc.	386,231	387,831	357,518	429,486
Less - Investment In Permanent Endowment	(49,012)	(49,309)	(45,531)	(46,117)
Investments Held By Foundation	337,219	338,522	311,987	383,369
Beneficial Interest In Assets Held By Others	227,911	241,824	235,775	249,689
	<u>\$ 565,130</u>	<u>\$ 580,346</u>	<u>\$ 547,762</u>	<u>\$ 633,058</u>

Investment income consists of the following for the year ended June 30, 2012 and 2011:

	2012	2011
Interest and Dividends	\$ 9,375	\$ 7,288
Realized Gains (Losses) - Net	22,645	47,851
Unrealized Gains (Losses) - Net	(20,466)	58,057
Investment Fees	(3,961)	(2,693)
	<u>\$ 7,593</u>	<u>\$ 110,503</u>
Beneficial Interest in Assets Held by Others - Net	10,156	9,890
Net Investment Income	<u>\$ 17,749</u>	<u>\$ 120,393</u>

Note 5 - Permanently Restricted Net Assets

Net assets were permanently restricted for the following purpose at June 30, 2012 and 2011:

During the year ended June 30, 2011 Putnam City Public Schools Foundation, Inc, began a program to recognize Lee and Mary Ruth Mayfield's commitment to Putnam City Schools. The Lee and Mary Ruth Mayfield Legacy Society recognized those who want to leave their legacy in Putnam City. All monies donated are used 1/3 by existing programs of the Foundation, 1/3 to improve the Foundation's commitment to enhance educational opportunities and 1/3 as a permanent endowment for the future.

	2012	2011
Roberta Lowe Fund	\$ 14,680	\$ 15,062
Legacy Fund	<u>34,629</u>	<u>31,055</u>
Total Permanently Restricted Net Assets	<u>\$ 49,309</u>	<u>\$ 46,117</u>

See the accompanying independent auditors' report.

Putnam City Public Schools Foundation, Inc.
Notes to Financial Statements
June 30, 2012

Note 6 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Care Share Fund	63,262	62,762
Clay Culver Fund	8,922	9,350
Community Fund	15,878	17,953
Carol Casey Memorial Fund	8,908	10,327
Thomas Glenn Scholarship Fund	24,852	25,651
Dorothy Nixon Scholarship Fund	1,470	1,270
Roger Barrios Scholarship Fund	12,623	12,774
Total Temporarily Restricted Net Assets	<u>\$ 135,915</u>	<u>\$ 140,087</u>

See the accompanying independent auditors' report.

Putnam City Public Schools Foundation, Inc.
 Schedule of Functional Expenses
 June 30, 2012 and 2011

2012

2011

	Program Services	Fundraising	Management	Total	Program Services	Fundraising	Management	Total
Advertising	-	479	-	479	420	65	-	485
Bank Service Charge	236	39	349	624	437	72	646	1,155
Board Expenses	-	-	-	-	-	-	314	314
Computer Expense	-	3,173	35	3,208	391	956	918	2,265
Depreciation Expense	179	-	-	179	214	-	-	214
Dues & Subscriptions	-	-	-	-	-	556	-	556
Education & Training	3,540	1,214	121	4,875	230	55	-	285
Fund Raising Expense	-	-	-	-	45	869	500	1,414
Insurance	-	-	1,462	1,462	-	-	1,636	1,636
Meals & Entertainment	160	1,112	698	1,970	-	-	-	-
Postage & Delivery	-	-	-	-	-	988	-	988
Printing & Reproduction	-	-	-	-	2,055	810	125	2,990
Professional Fees	-	-	4,665	4,665	-	-	3,640	3,640
Salary & Wages	101,913	13,588	20,383	135,884	103,444	13,793	20,689	137,926
Supplies	53	3,533	1,600	5,186	295	348	334	977
Telephone	-	-	-	-	170	865	-	1,035
Travel	1,124	630	139	1,893	192	1,206	27	1,425
Programs Other	258,392	66	-	258,458	120,905	2,560	-	123,465
Celebration Dinner Expenses	-	24,777	-	24,777	-	21,120	-	21,120
Golf Tournament Expenses	-	8,452	-	8,452	-	7,619	-	7,619
Licenses & Permits	-	-	-	-	-	15	-	15
Total Operating Expenses	365,597	57,063	29,452	452,112	228,798	51,897	28,829	309,524

See the accompanying independent auditors' report.