

**ANNUAL FINANCIAL REPORT**  
**INDEPENDENT SCHOOL DISTRICT NO. 27**  
**YUKON PUBLIC SCHOOL DISTRICT**  
**CANADIAN COUNTY, OKLAHOMA**  
**JULY 1, 2016 TO JUNE 30, 2017**

YUKON PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 27  
CANADIAN COUNTY, OKLAHOMA  
JUNE 30, 2017

**TABLE OF CONTENTS**

**INDEPENDENT AUDITOR’S REPORT**

**COMBINED FINANCIAL STATEMENTS**

Combined Statement of Assets, Liabilities, and Equity – Regulatory Basis  
All Fund Types and Account Groups  
Combined Statement of Revenues Collected, Expenditures Paid, and Changes in Fund  
Balances – Regulatory Basis – All Governmental Fund Types  
Combined Statement of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual – Regulatory Basis – Budgeted Governmental Fund Types  
Notes to Combined Financial Statements

**OTHER SUPPLEMENTARY INFORMATION**

Combining Statements of Assets, Liabilities, and Fund Balances – Regulatory  
Basis—All Special Revenue Funds  
Combining Statements of Revenues Collected, Expenditures Paid, and Changes in  
Fund Balances – Regulatory Basis – All Special Revenue Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Budget and Actual – Regulatory Basis – All Special Revenue Funds  
Combining Statements of Assets, Liabilities, and Fund Balances – Regulatory  
Basis—All Capital Project Funds  
Combining Statements of Revenues Collected, Expenditures Paid, and Changes in  
Fund Balances – Regulatory Basis – All Capital Project Funds  
Combining Statements of Assets, Liabilities, and Fund Balances – Regulatory  
Basis—Trust and Agency Funds  
Combining Statements of Revenues Collected, Expenditures Paid, and Changes in  
Fund Balances – Regulatory Basis – Trust and Agency Funds  
Combining Statement of Changes in Cash Balances – Regulatory Basis – Activity  
Funds

**Supporting Schedules**

Schedule of Federal Awards Expended  
Statutory, Fidelity, and Honesty Bonds

**INTERNAL CONTROL AND COMPLIANCE REPORTS**

Independent Auditor’s Report on the 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  
Independent Auditor’s Report on Compliance for Each Major Federal Program and on  
Internal Controls over Compliance Required by the Uniform Guidance

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**ACCOUNTANTS’ PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT**

**MANAGEMENT LETTER COMMENTS/ MANAGEMENT’S RESPONSE**

YUKON PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 27  
CANADIAN COUNTY, OKLAHOMA  
JULY 1, 2016 TO JUNE 30, 2017

SCHOOL DISTRICT BOARD MEMBERS

Karen Youngblood  
Suzanne Cannon  
Leonard Wells  
Jeff Behymer  
Rex Van Meter

SUPERINTENDENT OF SCHOOL DISTRICT

William Jason Simeroth

CLERK OF THE BOARD

Leonard Wells

SCHOOL DISTRICT TREASURER

Jim Fenrick

**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**

October 17, 2017

The Honorable Board of Education  
Yukon School District No. 27  
Canadian County, Oklahoma

**Report on the Financial Statements**

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of Yukon School District No. 27, Canadian County, Oklahoma, as of and for the year ended June 30, 2017, 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 regulations prescribed or permitted by the Oklahoma State Department of Education as described in Note 1, to meet the financial reporting requirements of the State Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 adverse and qualified audit opinions.

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

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the Oklahoma State Department of Education, the financial statements are prepared by the District, on the basis of the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably 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, 2017, or the revenues, expenses, and changes in net position and where applicable cash flows thereof for the year then ended.

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

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

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

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2017, and the revenues collected and expenditures paid and encumbered, of each fund type, for the year then ended, on the regulatory basis of accounting described in Note 1.

## **Other Matters**

### **Other supplemental information**

Our audit was conducted for the purpose of forming opinions on the fund type and the account group financial statements – regulatory basis within the combined financial statements. The combining fund statements – regulatory basis and other schedules as listed in the table of contents, under other supplementary information, are presented for purposes of additional analysis and are not a required part of the combined financial statements – regulatory basis of the District.

The combining statements – regulatory basis, and the other supplementary information, including the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting records used to prepare the combined financial statements – regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements – regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements – regulatory basis and the other supplementary information, including the schedule of expenditures of federal awards, are fairly stated in all material respects in relation to the combined financial statements – regulatory basis taken as a whole on the regulatory basis of accounting described in Note 1.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2017 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Putnam & Company*  
Putnam & Company, PLLC

## **COMBINED FINANCIAL STATEMENTS**

**YUKON SCHOOL DISTRICT NO. 27  
CANADIAN COUNTY, OKLAHOMA  
COMBINED STATEMENT OF ASSETS AND LIABILITIES  
(ALL FUND TYPES AND ACCOUNT GROUPS) - REGULATORY BASIS  
JUNE 30, 2017**

	Governmental Fund Types				Fiduciary Fund Types	Account Groups	Totals
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long-Term Debt	(Memorandum Only)
<b>ASSETS</b>							
Cash and Cash Equivalents	\$14,643,066	2,921,963		82,840	2,057,321		19,705,190
Amount Available for Debt Service			10,621,791			720,874	11,342,665
Amount to be Provided for General Long-Term Debt						26,001,014	26,001,014
<b>Total Assets</b>	<b>\$14,643,066</b>	<b>2,921,963</b>	<b>10,621,791</b>	<b>82,840</b>	<b>2,057,321</b>	<b>26,721,888</b>	<b>57,048,869</b>
<b>LIABILITIES</b>							
Warrants Payable	\$5,919,069	320,469			57,125		6,296,663
Reserved for Encumbrances	491,741						491,741
Long-Term Debt							
Bonds Payable			9,786,250			25,768,750	35,555,000
Interest Payable			114,667			953,138	1,067,805
<b>Total Liabilities</b>	<b>6,410,810</b>	<b>320,469</b>	<b>9,900,917</b>	<b>0</b>	<b>57,125</b>	<b>26,721,888</b>	<b>43,411,209</b>
<b>FUND EQUITY</b>							
Fund Equity:							
Designated for Building Projects		1,489,765					1,489,765
Designated for Child Nutrition Programs		1,111,729					1,111,729
Designated for Debt Service			720,874				720,874
Designated for Capital Projects				82,840			82,840
Designated for Insurance Programs					295,645		295,645
Designated for Unemployment Programs					212,694		212,694
Designated for Student Activities					1,491,857		1,491,857
Fund Balance	8,232,256						8,232,256
<b>Total Fund Equity</b>	<b>8,232,256</b>	<b>2,601,494</b>	<b>720,874</b>	<b>82,840</b>	<b>2,000,196</b>	<b>0</b>	<b>13,637,660</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$14,643,066</b>	<b>2,921,963</b>	<b>10,621,791</b>	<b>82,840</b>	<b>2,057,321</b>	<b>26,721,888</b>	<b>57,048,869</b>

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



**YUKON SCHOOL DISTRICT NO. 27  
CANADIAN 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, 2017**

	Governmental Fund Types				Fiduciary Fund Types	Totals
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	(Memorandum Only)
<b>REVENUES:</b>						
Local Sources	\$13,135,258	2,100,505	10,393,326		4,276,809	29,905,898
Intermediate Sources	2,087,652					2,087,652
State Sources	32,282,855	29,066				32,311,921
Federal Sources	2,618,759	1,816,403				4,435,162
<b>Total Revenues Collected</b>	<b>50,124,524</b>	<b>3,945,974</b>	<b>10,393,326</b>	<b>0</b>	<b>4,276,809</b>	<b>68,740,633</b>
<b>EXPENDITURES:</b>						
Instruction	30,944,123	19,477		36,420	998,099	31,998,119
Support Services	17,392,208	999,288		6,842	355,814	18,754,152
Operation of Non-Instructional Services	1,363,354	2,052,392			376,482	3,792,228
Facilities Aquisition & Construction Services		767,929		9,966,481		10,734,410
Other Outlays	39,344	1,995			2,275,797	2,317,136
Other Uses					154,679	154,679
<b>DEBT SERVICE:</b>						
Principal Retirement			9,780,000			9,780,000
Interest Paid			526,878			526,878
<b>Total Expenditures</b>	<b>49,739,029</b>	<b>3,841,081</b>	<b>10,306,878</b>	<b>10,009,743</b>	<b>4,160,871</b>	<b>78,057,602</b>
<b>Revenues Over (Under) Expenditures</b>	<b>385,495</b>	<b>104,893</b>	<b>86,448</b>	<b>(10,009,743)</b>	<b>115,938</b>	<b>(9,316,969)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Return of Assets	1,539,570	576,702	39,868	9,950,000	22,095	12,128,235
Deobligation of Prior Year Funds	478,781					478,781
Estopped Warrants	593				1,409	2,002
<b>Total Other Financing Sources (Uses):</b>	<b>2,018,944</b>	<b>576,702</b>	<b>39,868</b>	<b>9,950,000</b>	<b>23,504</b>	<b>12,609,018</b>
<b>Revenue and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>2,404,439</b>	<b>681,595</b>	<b>126,316</b>	<b>(59,743)</b>	<b>139,442</b>	<b>3,292,049</b>
<b>Fund Balance, Beginning of Year</b>	<b>5,827,817</b>	<b>1,919,899</b>	<b>594,558</b>	<b>142,583</b>	<b>1,860,754</b>	<b>10,345,611</b>
<b>Fund Balance, End of Year</b>	<b>\$8,232,256</b>	<b>2,601,494</b>	<b>720,874</b>	<b>82,840</b>	<b>2,000,196</b>	<b>13,637,660</b>

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

**YUKON SCHOOL DISTRICT NO. 27  
CANADIAN 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, 2017**

	General Fund			Special Revenue Funds		
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Local Sources	\$12,009,421	13,135,258	1,125,837	1,675,522	2,100,505	424,983
Intermediate Sources	1,736,029	2,087,652	351,623			0
State Sources	30,744,044	32,282,855	1,538,811	26,490	29,066	2,576
Federal Sources	2,638,824	2,618,759	(20,065)	1,540,228	1,816,403	276,175
<b>Total Revenues Collected</b>	<b>47,128,318</b>	<b>50,124,524</b>	<b>2,996,206</b>	<b>3,242,240</b>	<b>3,945,974</b>	<b>703,734</b>
<b>EXPENDITURES :</b>						
Instruction	35,711,229	30,944,123	4,767,106	19,477	19,477	0
Support Services	17,392,208	17,392,208	0	2,064,070	999,288	1,064,782
Non-Instructional Services	1,363,354	1,363,354	0	2,804,319	2,052,392	751,927
Facilities Acquisition & Construction Services			0	767,929	767,929	0
Other Outlays	39,344	39,344	0	1,995	1,995	0
<b>Total Expenditures</b>	<b>54,506,135</b>	<b>49,739,029</b>	<b>4,767,106</b>	<b>5,657,790</b>	<b>3,841,081</b>	<b>1,816,709</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(7,377,817)</b>	<b>385,495</b>	<b>7,763,312</b>	<b>(2,415,550)</b>	<b>104,893</b>	<b>2,520,443</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Return of Assets	1,550,000	1,539,570	(10,430)	495,651	576,702	81,051
Deobligation of Prior Year Funds		478,781	478,781			0
Estopped Warrants		593	593			0
<b>Total Other Financing Sources (Uses)</b>	<b>1,550,000</b>	<b>2,018,944</b>	<b>468,944</b>	<b>495,651</b>	<b>576,702</b>	<b>81,051</b>
<b>Revenue and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(5,827,817)</b>	<b>2,404,439</b>	<b>8,232,256</b>	<b>(1,919,899)</b>	<b>681,595</b>	<b>2,601,494</b>
<b>Fund Balance, Beginning of Year</b>	<b>5,827,817</b>	<b>5,827,817</b>	<b>0</b>	<b>1,919,899</b>	<b>1,919,899</b>	<b>0</b>
<b>Fund Balance, End of Year</b>	<b>\$0</b>	<b>8,232,256</b>	<b>8,232,256</b>	<b>0</b>	<b>2,601,494</b>	<b>2,601,494</b>

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

## **NOTES TO FINANCIAL STATEMENTS**

**YUKON SCHOOL DISTRICT NO. 27  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Yukon Public Schools Independent District No. 27, Canadian 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.

**YUKON SCHOOL DISTRICT NO. 27**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**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.

**YUKON SCHOOL DISTRICT NO. 27**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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.

**YUKON SCHOOL DISTRICT NO. 27**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**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.

**YUKON SCHOOL DISTRICT NO. 27**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

Inventories – The value of consumable inventories at June 30, 2017 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.



**YUKON SCHOOL DISTRICT NO. 27**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**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, 2017, 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.

**YUKON SCHOOL DISTRICT NO. 27**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

***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, 2017, 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, 2017.

**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.

**YUKON SCHOOL DISTRICT NO. 27**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**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, 2017:

	Bonds Payable	Total
Balance, July 1, 2016	\$34,655,000	\$ 34,655,000
Additions	9,950,000	9,950,000
Retirements	9,050,000	9,050,000
Balance, June 30, 2017	<u>\$ 35,555,000</u>	<u>\$ 35,555,000</u>

A brief description of the outstanding general obligation bond issues at June 30, 2017 is set forth below:

	Amount Outstanding
Independent School District No. 27 Building Bonds, Series 2016, original Issue \$9,950,000, interest rate of 1.30% , due in initial installment of \$2,210,000 and then annual installments of \$2,580,000, final payment of \$2,580,000 due October 1, 2021.	\$ 9,950,000
Independent School District No. 27 Building Bonds, Series 2015, original Issue \$11,110,000, interest rate of 1.00% to 2.00%, due in annual installments of \$2,775,000, final payment of \$2,785,000 due October 1, 2020.	11,110,000
Independent School District No. 27 Building Bonds, Series 2014, original Issue \$9,135,000, interest rate of 1.00% to 1.30%, due in annual installments of \$2,285,000, final payment of \$2,285,000 due October 1, 2019.	6,855,000
Independent School District No. 27 Building Bonds, Series 2013, original Issue \$11,675,000, interest rate of 2.00%, due in annual installments of \$2,915,000, final payment of \$2,920,000 due October 1, 2018.	5,840,000

**YUKON SCHOOL DISTRICT NO. 27**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

Independent School District No. 27  
 Building Bonds, Series 2012, original  
 Issue \$7,200,000, interest rate of 1.00%,  
 due in annual installments of \$1,800,000, final  
 payment of \$1,800,000 due October 1, 2017. 1,800,000

**TOTAL** **\$35,555,000**

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

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 9,780,000	\$ 498,615	\$ 10,278,615
2019	10,190,000	299,045	10,489,045
2020	7,640,000	175,215	7,815,215
2021	5,365,000	78,160	5,443,160
2022	2,580,000	16,770	2,596,770
	<u>\$ 35,555,000</u>	<u>\$ 1,067,805</u>	<u>\$ 36,622,805</u>

Interest expense on general long-term debt incurred during the current year totaled \$526,878.

**5. EMPLOYEE RETIREMENT SYSTEM**

Basis of Accounting

The 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.

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.

**YUKON SCHOOL DISTRICT NO. 27  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**5. EMPLOYEE RETIREMENT SYSTEM (continued)**

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, 2017.

Annual Pension Cost

	Contribution	Total Payroll
2017	\$ 3,093,781.32	\$ 32,001,875.70
2016	\$ 3,122,826.97	\$ 32,107,333.54
2015	\$ 2,977,876.87	\$ 30,997,287.25

**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. The District is currently involved in litigation, the results of which are not determinable. Therefore, any fair value of the contingencies cannot be reasonably estimated.

**7. RISK MANAGEMENT**

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

**YUKON SCHOOL DISTRICT NO. 27  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**8. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 17, 2017, which is the date the financial statements were issued.

## **OTHER SUPPLEMENTARY INFORMATION**

**YUKON SCHOOL DISTRICT NO. 27  
CANADIAN COUNTY, OKLAHOMA  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
REGULATORY BASIS  
SPECIAL REVENUE FUNDS  
JUNE 30, 2017**

	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (Memorandum Only)</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	<u>\$1,791,943</u>	<u>1,130,020</u>	<u>2,921,963</u>
Total Assets	<u><u>\$1,791,943</u></u>	<u><u>1,130,020</u></u>	<u><u>2,921,963</u></u>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>			
Liabilities:			
Warrants Outstanding	\$302,178	18,291	320,469
Reserved for Encumbrances	<u>0</u>	<u>          </u>	<u>0</u>
Total Liabilities	<u>302,178</u>	<u>18,291</u>	<u>320,469</u>
 Fund Balance:			
Unreserved	<u>1,489,765</u>	<u>1,111,729</u>	<u>2,601,494</u>
Total Fund Equity	<u>1,489,765</u>	<u>1,111,729</u>	<u>2,601,494</u>
 Total Liabilities and Fund Equity	<u><u>\$1,791,943</u></u>	<u><u>1,130,020</u></u>	<u><u>2,921,963</u></u>

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



**YUKON SCHOOL DISTRICT NO. 27  
CANADIAN COUNTY, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - REGULATORY BASIS  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (Memorandum Only)</u>
Revenues:			
Local Sources	\$2,100,505		2,100,505
State Sources		29,066	29,066
Federal Sources		1,816,403	1,816,403
	<u>2,100,505</u>	<u>1,845,469</u>	<u>3,945,974</u>
Total Revenues Collected			
Expenditures:			
Instruction	19,477		19,477
Support Services	999,288		999,288
Operation of Non-Instructional Services		2,052,392	2,052,392
Facilities Acquisition & Construction Services	767,929		767,929
Other Outlays		1,995	1,995
	<u>1,786,694</u>	<u>2,054,387</u>	<u>3,841,081</u>
Total Expenditures			
Total Revenues Over (Under) Expenditures	<u>313,811</u>	<u>(208,918)</u>	<u>104,893</u>
Other Financing Sources (Uses):			
Return of Assets		576,702	576,702
	<u>0</u>	<u>576,702</u>	<u>576,702</u>
Total Other Financing Sources (Uses)			
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>313,811</u>	<u>367,784</u>	<u>681,595</u>
Fund Balance, Beginning of Year	<u>1,175,954</u>	<u>743,945</u>	<u>1,919,899</u>
Fund Balance, End of Year	<u><u>\$1,489,765</u></u>	<u><u>1,111,729</u></u>	<u><u>2,601,494</u></u>

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

**YUKON SCHOOL DISTRICT NO. 27  
CANADIAN 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, 2017**

	Building Fund			Child Nutrition Fund		
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Local Sources	\$1,675,522	2,100,505	424,983			0
State Sources			0	26,490	29,066	2,576
Federal Sources			0	1,540,228	1,816,403	276,175
Total Revenues	<u>1,675,522</u>	<u>2,100,505</u>	<u>424,983</u>	<u>1,566,718</u>	<u>1,845,469</u>	<u>278,751</u>
EXPENDITURES :						
Instruction	19,477	19,477	0			0
Support Services	2,064,070	999,288	1,064,782			0
Operation of Non-Instructional Services			0	2,804,319	2,052,392	751,927
Facilities Acquisition & Construction Services	767,929	767,929	0			0
Other Outlays			0	1,995	1,995	0
Total Expenditures	<u>2,851,476</u>	<u>1,786,694</u>	<u>1,064,782</u>	<u>2,806,314</u>	<u>2,054,387</u>	<u>751,927</u>
Revenues Over (Under) Expenditures	<u>(1,175,954)</u>	<u>313,811</u>	<u>1,489,765</u>	<u>(1,239,596)</u>	<u>(208,918)</u>	<u>1,030,678</u>
OTHER FINANCING SOURCES (USES):						
Return of Assets			0	495,651	576,702	81,051
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>495,651</u>	<u>576,702</u>	<u>81,051</u>
Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>(1,175,954)</u>	<u>313,811</u>	<u>1,489,765</u>	<u>(743,945)</u>	<u>367,784</u>	<u>1,111,729</u>
Fund Balance, Beginning of Year	<u>1,175,954</u>	<u>1,175,954</u>	<u>0</u>	<u>743,945</u>	<u>743,945</u>	<u>0</u>
Fund Balance, End of Year	<u>\$0</u>	<u>1,489,765</u>	<u>1,489,765</u>	<u>0</u>	<u>1,111,729</u>	<u>1,111,729</u>

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

**YUKON SCHOOL DISTRICT NO. 27  
CANADIAN COUNTY, OKLAHOMA  
COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS  
CAPITAL PROJECTS FUNDS  
JUNE 30, 2017**

	<u>BUILDING BOND FUND #38</u>	<u>BUILDING BOND FUND #39</u>	<u>TOTALS (Memorandum Only)</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	<u>\$0</u>	<u>82,840</u>	<u>82,840</u>
Total Assets	<u><u>\$0</u></u>	<u><u>82,840</u></u>	<u><u>82,840</u></u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>			
Liabilities:			
Warrants Outstanding	\$0	0	0
Reserve for Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance:			
Unreserved			
Designated for Capital Projects	<u>0</u>	<u>82,840</u>	<u>82,840</u>
Total Fund Equity	<u>0</u>	<u>82,840</u>	<u>82,840</u>
Total Liabilities and Fund Equity	<u><u>\$0</u></u>	<u><u>82,840</u></u>	<u><u>82,840</u></u>

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

**YUKON SCHOOL DISTRICT NO. 27  
CANADIAN COUNTY, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - REGULATORY BASIS  
CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	BUILDING BOND FUND #38	BUILDING BOND FUND #39	TOTALS (Memorandum Only)
Revenues:			
Local Sources	\$0		0
Total Revenues Collected	0	0	0
Expenditures:			
Instruction	36,420		36,420
Support Services		6,842	6,842
Facilities Acquisition and Construction Services	9,966,481		9,966,481
Total Expenditures	10,002,901	6,842	10,009,743
Excess of Revenues Over (Under) Expenditures	(10,002,901)	(6,842)	(10,009,743)
Other Financing Sources (Uses)			
Proceeds from Sale of Bonds	9,950,000		9,950,000
Total Other Financing Sources (Uses)	9,950,000	0	9,950,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(52,901)	(6,842)	(59,743)
Fund Balance, Beginning of Year	52,901	89,682	142,583
Fund Balance, End of Year	\$0	82,840	82,840

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

**YUKON SCHOOL DISTRICT NO. 27  
CANADIAN COUNTY, OKLAHOMA  
COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS  
TRUST AND AGENCY FUNDS  
JUNE 30, 2017**

	EXPENDABLE TRUST FUNDS		AGENCY FUNDS	TOTALS (Memorandum Only)
	VISION INSURANCE PLAN	UNEMPLOYMENT COMPENSATION INSURANCE	ACTIVITY FUND	
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	<u>\$310,211</u>	<u>212,694</u>	<u>1,534,416</u>	<u>2,057,321</u>
Total Assets	<u><u>\$310,211</u></u>	<u><u>212,694</u></u>	<u><u>1,534,416</u></u>	<u><u>2,057,321</u></u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>				
Liabilities:				
Warrants Outstanding	<u>\$14,566</u>		<u>42,559</u>	<u>57,125</u>
Reserved for Encumbrances				<u>0</u>
Total Liabilities	<u>14,566</u>	<u>0</u>	<u>42,559</u>	<u>57,125</u>
Fund Balance:				
Unreserved	<u>295,645</u>	<u>212,694</u>	<u>1,491,857</u>	<u>2,000,196</u>
Total Fund Equity	<u>295,645</u>	<u>212,694</u>	<u>1,491,857</u>	<u>2,000,196</u>
Total Liabilities and Fund Equity	<u><u>\$310,211</u></u>	<u><u>212,694</u></u>	<u><u>1,534,416</u></u>	<u><u>2,057,321</u></u>

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

**YUKON SCHOOL DISTRICT NO. 27  
CANADIAN COUNTY, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - REGULATORY BASIS  
TRUST AND AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	EXPENDABLE TRUST FUNDS		AGENCY FUNDS	TOTALS (Memorandum Only)
	VISION INSURANCE PLAN	UNEMPLOYMENT COMPENSATION INSURANCE	ACTIVITY FUND	
Revenues:				
Local Sources	<u>\$139,202</u>	<u>75,614</u>	<u>4,061,993</u>	<u>4,276,809</u>
 Total Revenues Collected	 <u>139,202</u>	 <u>75,614</u>	 <u>4,061,993</u>	 <u>4,276,809</u>
 Expenditures:				
Instruction			998,099	998,099
Support Services			355,814	355,814
Operation of Non Instructional Services			376,482	376,482
Other Outlays			2,275,797	2,275,797
Other Uses	<u>128,397</u>	<u>26,282</u>		<u>154,679</u>
 Total Expenditures	 <u>128,397</u>	 <u>26,282</u>	 <u>4,006,192</u>	 <u>4,160,871</u>
 Other Financing Sources (Uses):				
Return of Assets			22,095	22,095
Estopped Warrants			1,409	1,409
 Total Other Financing Sources (Uses)	 <u>0</u>	 <u>0</u>	 <u>23,504</u>	 <u>23,504</u>
 Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	 <u>10,805</u>	 <u>49,332</u>	 <u>79,305</u>	 <u>139,442</u>
 Fund Balance, Beginning of Year	 <u>284,840</u>	 <u>163,362</u>	 <u>1,412,552</u>	 <u>1,860,754</u>
 Fund Balance, End of Year	 <u><u>\$295,645</u></u>	 <u><u>212,694</u></u>	 <u><u>1,491,857</u></u>	 <u><u>2,000,196</u></u>

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

**YUKON SCHOOL DISTRICT NO. 27**  
**CANADIAN COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**REGULATORY BASIS - ACTIVITY FUND - SUMMARY OF ALL FUND 60**  
**JULY 1, 2016 TO JUNE 30, 2017**

	Source 6110 Beginning Balance 7/1/2016	Source 6140 Estopped Checks	Source 5120-5190 Non-Revenue Receipts	Source 1211-1990 New Revenue	Transfers	Checks & Encumbrances	Ending Fund Balance 6/30/2017
Administration	\$ 497,548.58	44.25	1,995.00	1,821,439.72	0.00	1,765,972.13	555,055.42
Community Education	150,288.89	0.00	0.00	863,936.56	0.00	857,145.65	157,079.80
Middle School	82,397.30	50.00	0.00	206,509.59	0.00	190,139.07	98,817.82
High School	373,121.78	644.75	100.00	720,356.44	0.00	709,893.15	384,329.82
Athletics	309,195.54	670.00	20,000.00	449,751.07	0.00	483,042.12	296,574.49
Summary of All Fund 60	<u>\$ 1,412,552.09</u>	<u>1,409.00</u>	<u>22,095.00</u>	<u>4,061,993.38</u>	<u>0.00</u>	<u>4,006,192.12</u>	<u>1,491,857.35</u>

**YUKON SCHOOL DISTRICT NO. 27**  
**CANADIAN COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**REGULATORY BASIS - ACTIVITY FUND - ADMINISTRATION**  
**July 1, 2016-June 30, 2017**

	Source 6110	Source 6140	Source 5120-5190	Source 1211-1990		Ending Fund Balance
	Beginning Balance	Estopped Checks	Non- Revenue Receipts	New Revenue	Checks & Encumbrances	
	7/1/2016					6/30/2017
Child Nutrition	\$0.00	0.00	1,995.00	1,288,525.15	1,290,520.15	0.00
General Refund Summer Tuition	\$0.00	0.00	0.00	0.00	0.00	0.00
General Refund - Rent	0.00	0.00	0.00	9,200.00	9,200.00	0.00
General Refund - Helping Hands	0.00	0.00	0.00	0.00	0.00	0.00
Central Elementary	23,936.23	0.00	0.00	35,242.58	39,401.76	19,777.05
Myers Elementary	41,709.29	0.00	0.00	36,664.63	36,146.13	42,227.79
Parkland Elementary	62,783.01	0.00	0.00	50,530.94	49,160.76	64,153.19
Ranchwood Elementary	60,080.84	0.00	0.00	40,851.37	25,667.64	75,264.57
Shedeck Elementary	20,334.06	0.00	0.00	49,917.54	41,244.02	29,007.58
Skyview Elementary	35,935.31	0.00	0.00	46,966.03	47,055.30	35,846.04
Surrey Hills Elementary	24,092.95	0.00	0.00	42,405.56	26,831.57	39,666.94
Independence Elementary School	22,484.90	0.00	0.00	71,260.35	71,927.66	21,817.59
Lakeview Elementary School	27,925.34	0.00	0.00	104,484.24	93,794.27	38,615.31
Helping Hands	444.54	0.00	0.00	2,304.00	1,666.67	1,081.87
Santa's Friends	9,794.92	0.00	0.00	8,917.00	8,119.83	10,591.59
Native American Student Services	0.00	0.00	0.00	0.00	0.00	0.00
Administration	168,027.69	44.25	0.00	34,170.33	25,236.37	177,005.90
<b>TOTAL</b>	<b>\$497,549.08</b>	<b>44.25</b>	<b>1,995.00</b>	<b>1,821,439.72</b>	<b>1,765,972.13</b>	<b>555,055.42</b>



**YUKON SCHOOL DISTRICT NO. 27**  
**CANADIAN COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**REGULATORY BASIS - ACTIVITY FUND - COMMUNITY EDUCATION**  
**July 1, 2016 to June 30, 2017**

	Source 6110 Beginning Balance	Source 6140 Estopped Checks	Source 5120-5190 Non- Revenue Receipts	Source 1211-1990 New Revenue	Checks & Encumbrances	Ending Fund Balance
	<u>7/1/2016</u>					<u>6/30/2017</u>
General Refund - Community Ed	\$0.00	0.00	0.00	34,480.00	34,480.00	0.00
Open Door	0.00	0.00	0.00	758,372.21	758,372.21	0.00
Donations	4,323.34	0.00	0.00	20,296.20	19,421.07	5,198.47
Scholarship - Community Ed	145,965.55	0.00	0.00	50,788.15	44,872.37	151,881.33
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	<u>\$150,288.89</u>	<u>0.00</u>	<u>0.00</u>	<u>863,936.56</u>	<u>857,145.65</u>	<u>157,079.80</u>

**YUKON SCHOOL DISTRICT NO. 27**  
**CANADIAN COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**REGULATORY BASIS - ACTIVITY FUND - MIDDLE SCHOOL**  
**July 1, 2016 to June 30, 2017**

	Source 6110	Source 6140	Source 5120-5190	Source 1211-1990		Ending Fund Balance
	Beginning Balance		Non- Revenue Receipts	New Revenue	Checks & Encumbrances	
	<u>7/1/2016</u>	<u>Estopped Checks</u>				<u>6/30/2017</u>
General Refund	\$0.00	0.00	0.00	0.00	0.00	0.00
Art	1,070.04	0.00	0.00	2,631.05	2,240.62	1,460.47
Cheerleaders	7,639.88	50.00	0.00	13,546.11	13,116.61	8,119.38
Excalibur	1,152.09	0.00	0.00	0.00	667.00	485.09
Gifted	5,291.38	0.00	0.00	1,050.00	1,346.26	4,995.12
Library	5,170.71	0.00	0.00	93,357.85	82,710.52	15,818.04
PE Fund	10,518.13	0.00	0.00	4,140.66	3,938.68	10,720.11
Academic Team	170.36	0.00	0.00	375.00	351.75	193.61
Science Fund	1,728.85	0.00	0.00	5,572.75	2,308.54	4,993.06
Student Council	5,267.77	0.00	0.00	7,443.00	6,367.08	6,343.69
Spanish Club	509.58	0.00	0.00	0.00	2,091.50	-1,581.92
French	62.48	0.00	0.00	0.00	0.00	62.48
School Store	799.24	0.00	0.00	0.00	0.00	799.24
Tech Ed	262.40	0.00	0.00	2,814.96	0.00	3,077.36
Vocal Music	2,345.49	0.00	0.00	14,390.59	12,690.23	4,045.85
Gym Pop Machine	1,833.28	0.00	0.00	0.00	1,535.05	298.23
Principal's	37,550.60	0.00	0.00	60,777.62	60,743.23	37,584.99
Sunshine	1,025.02	0.00	0.00	410.00	32.00	1,403.02
TOTAL	<u>\$82,397.30</u>	<u>50.00</u>	<u>0.00</u>	<u>206,509.59</u>	<u>190,139.07</u>	<u>98,817.82</u>

**YUKON SCHOOL DISTRICT NO. 27**  
**CANADIAN COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**REGULATORY BASIS - ACTIVITY FUND - HIGH SCHOOL**  
**JULY 1, 2016 TO JUNE 30, 2017**

	Source 6110 Beginning Balance 7/1/2016	Source 6140 Estopped Checks	Source 5120- 5190 Non-Revenue Receipts	Source 1211-1990 New Revenue	Checks & Encumbrances	Ending Fund Balance 6/30/2017
General Refund - Books/Parking	0.00	0.00	0.00	15,700.82	15,700.82	0.00
Art	1,389.40	0.00	0.00	9,198.15	7,922.62	2,664.93
ACT Workshop	376.03	0.00	0.00	0.00	0.00	376.03
Band	2,885.31	0.00	0.00	114,581.58	115,367.47	2,099.42
Cheerleaders	8,093.55	0.00	0.00	21,916.75	20,878.49	9,131.81
Biology Club	73.09	0.00	0.00	0.00	0.00	73.09
DECA	10,101.90	0.00	0.00	58,074.63	58,044.96	10,131.57
Speech & Debate	2,202.83	0.00	0.00	1,369.81	1,589.57	1,983.07
Drama	4,623.84	0.00	0.00	7,025.58	5,650.35	5,999.07
English	2.35	0.00	0.00	0.00	0.00	2.35
FISH	399.22	0.00	0.00	(399.22)	0.00	0.00
FCA	21.00	0.00	0.00	(21.00)	0.00	0.00
Transition Center	1,130.26	0.00	0.00	4,044.03	2,367.11	2,807.18
Social Studies	124.90	0.00	0.00	1,583.24	1,708.14	0.00
FFA	1,681.09	0.00	0.00	47,844.35	47,128.35	2,397.09
FCCCLA	4,545.38	0.00	0.00	7,116.00	6,406.64	5,254.74
French	1,071.16	0.00	0.00	665.00	818.65	917.51
Academic Services	11,859.98	0.00	0.00	60,070.22	32,758.28	39,171.92
Book Club	2.79	0.00	0.00	0.00	0.00	2.79
Horticulture	5,325.20	0.00	0.00	2,770.00	4,622.00	3,473.20
YHS Library	2,566.49	0.00	0.00	1,841.72	2,491.78	1,916.43
YHS Carpentry	2,902.21	0.00	0.00	2,635.00	3,696.78	1,840.43
Yukon Academic Team	807.83	0.00	0.00	0.00	566.88	240.95
Junior Class	16,742.04	450.00	100.00	29,704.44	27,029.24	19,967.24
LAICEPS	6,946.52	0.00	0.00	5,239.53	4,813.52	7,372.53
Physics Club	147.57	0.00	0.00	0.00	0.00	147.57
National Honor Society	3,159.48	0.00	0.00	3,636.75	3,340.66	3,455.57
Pom Pon	230.50	100.00	0.00	12,954.50	11,978.93	1,306.07
Psychology Club	68.50	0.00	0.00	736.00	751.00	53.50
Physical Education	81.20	0.00	0.00	0.00	0.00	81.20
Renaissance	2,302.15	0.00	0.00	(2,302.15)	0.00	0.00
ASL	0.00	0.00	0.00	428.00	426.00	2.00
Science	8,633.60	0.00	0.00	9,119.00	10,476.13	7,276.47
Senior Class	4,357.27	0.00	0.00	4,889.00	4,738.00	4,508.27
Spanish	1,200.88	0.00	0.00	460.00	767.47	893.41
Student Council	59,805.65	20.00	0.00	53,212.57	60,681.81	52,356.41
FCCLA/FACS	6,743.41	0.00	0.00	8,427.16	6,822.06	8,348.51
Vocal	11,613.91	0.00	0.00	95,386.98	95,383.69	11,617.20
Leadership	651.96	0.00	0.00	19,812.95	20,332.95	131.96
Yukon Network News	200.38	0.00	0.00	(200.38)	0.00	0.00
Yearbook/Journalism	17,469.11	0.00	0.00	54,185.00	56,116.58	15,537.53
Woodworking	5,909.10	0.00	0.00	9,426.00	14,360.89	974.21
Rodeo Club	87.90	0.00	0.00	0.00	0.00	87.90
WAC (World Awareness Club)	286.37	0.00	0.00	(286.37)	0.00	0.00
Rugby Football Club	1,962.50	0.00	0.00	0.00	1,957.96	4.54
Yukon Reading Council	3,660.97	0.00	0.00	0.00	0.00	3,660.97
BPA	331.87	0.00	0.00	2,062.50	1,550.80	843.57
High School	81,072.44	74.75	0.00	50,909.54	55,504.07	76,552.66
Encouragement	2,920.58	0.00	0.00	640.00	642.50	2,918.08
Scholarship - ACME Fence	1,075.33	0.00	0.00	0.00	0.00	1,075.33
Angela Barnard Meml	500.00	0.00	0.00	1,000.00	1,000.00	500.00
Scholarship - Ath Meml Fund	9,471.46	0.00	0.00	51.22	500.00	9,022.68
Scholarship - Gamsjager	10,540.97	0.00	0.00	64.03	0.00	10,605.00
Scholarship - Gene Cranfill	10,515.45	0.00	0.00	64.03	0.00	10,579.48
Scholarship - Glenn Symes Meml.	643.25	0.00	0.00	0.00	0.00	643.25
Janiking Scholarship	250.00	0.00	0.00	0.00	0.00	250.00
Landon Burger Meml Scholarship	2,500.00	0.00	0.00	0.00	0.00	2,500.00
Mathena Energy Scholarship	631.05	0.00	0.00	2,500.00	2,000.00	1,131.05
Scholarship - Stejskal	21,825.96	0.00	0.00	121.65	0.00	21,947.61
YHS AMSF ckg - YNB	16,196.64	0.00	0.00	97.83	0.00	16,294.47
Scholarship - Mazzio's	200.00	0.00	0.00	0.00	0.00	200.00
Scholarship - Silva	0.00	0.00	0.00	2,000.00	1,000.00	1,000.00
<b>TOTAL</b>	<b>\$ 373,121.78</b>	<b>644.75</b>	<b>100.00</b>	<b>720,356.44</b>	<b>708,893.15</b>	<b>384,329.82</b>

**YUKON SCHOOL DISTRICT NO. 27**  
**CANADIAN COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**REGULATORY BASIS - ACTIVITY FUND - ATHLETICS**  
**July 1, 2016 to June 30, 2017**

	Source 6110	Source 6140	Source 5120- 5190	Source 1211-1990		
	Beginning Balance	Estopped Checks	Non- Revenue Receipts	New Revenue	Checks & Encumbrances	Ending Fund Balance
	7/1/16					6/30/17
Gates & Receipts - 819001	\$229,183.38	0.00	20,000.00	101,649.71	130,455.21	220,377.88
Football - 819801	0.00	0.00	0.00	8,087.00	8,087.00	0.00
Basketball - 819802	0.00	300.00	0.00	10,364.40	10,664.40	0.00
Athletic Director - 819804	0.00	0.00	0.00	21,819.73	21,819.73	0.00
Baseball - 819805	0.00	250.00	0.00	6,115.00	6,365.00	0.00
Softball - 819806	0.00	120.00	0.00	4,270.00	4,390.00	0.00
Wrestling - 819807	0.00	0.00	0.00	5,477.95	5,477.95	0.00
Tennis - 819808	0.00	0.00	0.00	1,080.00	1,080.00	0.00
Track - 819811	0.00	0.00	0.00	1,302.20	1,302.20	0.00
Volleyball - 819812	0.00	0.00	0.00	3,687.00	3,687.00	0.00
Golf - 819813	0.00	0.00	0.00	5,603.00	5,603.00	0.00
Cross Country - 819814	0.00	0.00	0.00	1,970.00	1,970.00	0.00
Soccer - 819815	0.00	0.00	0.00	3,320.00	3,320.00	0.00
OSSAA State Comp - 819816	0.00	0.00	0.00	684.00	684.00	0.00
OSSAA Playoffs - 819818	0.00	0.00	0.00	147,330.50	147,330.50	0.00
Pass Thru/Boys Basketball - 81981	100.00	0.00	0.00	0.00	0.00	100.00
Swimming - 819820	0.00	0.00	0.00	2,226.00	2,226.00	0.00
Pass Thru/ Girls Golf - 819821	14.54	0.00	0.00	500.00	318.00	196.54
Pass Thru/ Tennis - 819822	284.74	0.00	0.00	0.00	60.93	223.81
Pass Thru/ Trainers - 819823	19,551.00	0.00	0.00	6,225.00	8,669.93	17,106.07
Pass Thru/ Boys Track - 819824	3.51	0.00	0.00	0.00	0.00	3.51
Pass Thru/ Football - 819825	9,594.29	0.00	0.00	69,299.90	76,641.31	2,252.88
Pass Thru/ Softball - 819826	1,312.98	0.00	0.00	0.00	1,002.70	310.28
Pass Thru/ Wrestling - 819827	644.51	0.00	0.00	1,500.00	1,739.00	405.51
Pass Thru/ Girls Track - 819828	16.81	0.00	0.00	0.00	0.00	16.81
Pass Thru/ Girls BB - 819829	6,074.80	0.00	0.00	2,906.98	8,781.78	200.00
Pass Thru/ Baseball - 819831	972.53	0.00	0.00	560.00	820.40	712.13
Pass Thru/ Soccer - 819832	0.03	0.00	0.00	0.00	0.00	0.03
Pass Thru/ Boys Golf - 819835	12.67	0.00	0.00	0.00	0.00	12.67
Pass Thru/ Boys CC - 819836	9.33	0.00	0.00	0.00	0.00	9.33
Pass Thru/ Girls CC - 819837	28.34	0.00	0.00	0.00	0.00	28.34
Pass Thru/AD - 819840	41,392.08	0.00	0.00	43,772.70	30,546.08	54,618.70
<b>TOTAL</b>	<b>\$309,195.54</b>	<b>670.00</b>	<b>20,000.00</b>	<b>449,751.07</b>	<b>483,042.12</b>	<b>296,574.49</b>

**YUKON SCHOOL DISTRICT NO. 27  
CANADIAN COUNTY, OKLAHOMA  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2017**

	Project Code	Federal CFDA Number	Program or Award Amount	Cash/ Beginning Balance at July 1, 2016	Federal Receipts	Federal Expenditures Direct Costs	Indirect Costs	Cash/ Ending Balance at June 30, 2017
<b>Direct Funding:</b>								
Title IX Indian Education	561	84.060	\$175,245.00		68,716.32	169,733.70	5,511.30	(106,528.68)
Title IX Indian Education - Prior Year	799	84.060		(87,783.37)	87,783.37			0.00
Sub-total			<u>175,245.00</u>	<u>(87,783.37)</u>	<u>156,499.69</u>	<u>169,733.70</u>	<u>5,511.30</u>	<u>(106,528.68)</u>
<b>U.S. Department of Education:</b>								
Passed through the Department of Education:								
Title I	511	84.010	594,895.30		336,265.15	565,925.67	10,526.22	(240,186.74)
Title I - Prior Year	799	84.010		(232,159.06)	232,159.06			0.00
Title I, Academic Achievement Award	517	84.010	70,292.25		70,292.25			70,292.25
Title II, Part A	541	84.367	125,315.04		96,006.23	122,429.25	2,264.28	(28,687.30)
Title II, Part A - Prior Year	799	84.367		(29,466.64)	29,466.64			0.00
21st Century	553	84.287			0.00			0.00
21st Century - Prior Year	799	84.287		(44,160.00)	44,160.00			0.00
Title III, Emergency Immigrant	571	84.365	10,315.24		917.65	9,433.76	175.47	(8,691.58)
Title III, Emergency Immigrant - Prior Year	799	84.365		(1,319.05)	1,319.05			0.00
Title III, English Language Acq	572	84.365	32,299.11		15,105.13	29,880.80	555.78	(15,331.45)
Title III, English Language Acq - Prior Year	799	84.365		(12,663.92)	12,663.92			0.00
IDEA-B Flow Through	621	84.027	1,391,367.14		456,577.84	1,301,743.96	24,212.44	(869,378.56)
IDEA-B Flow Through - Prior Year	799	84.027		(961,074.92)	961,074.92			0.00
IDEA-B Flow Through - Private	625	84.027	35,611.17		20,364.90	29,828.47	554.81	(10,018.38)
IDEA-B Flow Through - Private - Prior Year	799	84.027		(4,991.71)	4,991.71			0.00
IDEA-B Pre-School	641	84.173	24,760.80		14,190.79	24,323.40	437.40	(10,570.01)
IDEA-B Pre-School - Prior Year	799	84.173		(10,758.91)	10,758.91			0.00
Preschool 3-5 (Section 619)	642	84.173	5,484.10		0.00	4,885.73	90.87	(4,976.60)
Preschool 3-5 (Section 619) - Prior Year	799	84.173						0.00
Sub-total			<u>2,290,340.15</u>	<u>(1,296,594.21)</u>	<u>2,306,314.15</u>	<u>2,088,451.04</u>	<u>38,817.27</u>	<u>(1,117,548.37)</u>
<b>U.S. Department of Health &amp; Human Services:</b>								
STOP Grant - Year 1	775	93.276	47,145.00		8,313.84	17,904.08		(9,590.24)
Safe & Drug Free - Year 10	775	93.276	55,253.21		46,114.44	46,114.44		0.00
Safe & Drug Free - Prior Year	799	93.276		(26,167.35)	26,167.35			0.00
Sub-total			<u>102,398.21</u>	<u>(26,167.35)</u>	<u>80,595.63</u>	<u>64,018.52</u>	<u>0.00</u>	<u>(9,590.24)</u>
Passed through Oklahoma State Department of Vocational Technical Training								
Carl Perkins	421	84.048	50,657.00		35,590.51	49,731.99	925.01	(15,066.49)
Carl Perkins - Prior Year	799	84.048		(34,835.04)	34,835.04			0.00
Rehabilitation Services	456	84.126	4,923.50		4,923.50	4,923.50		0.00
Sub-total			<u>55,580.50</u>	<u>(34,835.04)</u>	<u>75,349.05</u>	<u>54,655.49</u>	<u>925.01</u>	<u>(15,066.49)</u>
<b>U.S. Department of Agriculture:</b>								
Passed Through the State Department of Education								
Food Service Programs - Lunches	763	10.555	1,380,968.76		1,380,968.76	1,380,968.76		0.00
Food Service Programs - Breakfasts	764	10.553	408,339.86		408,339.86	408,339.86		0.00
Food Service Programs - Summer Food	766	10.559	22,593.85		22,593.85	22,593.85		0.00
HUSSC Award Grant	790	10.543	4,500.00		4,500.00	4,500.00		0.00
USDA Donated Food		10.550	245,891.38		245,891.38	245,891.38		0.00
Sub-total			<u>2,062,293.85</u>	<u>0.00</u>	<u>2,062,293.85</u>	<u>2,062,293.85</u>	<u>0.00</u>	<u>0.00</u>
Total Federal Assistance			<u>\$4,685,857.71</u>	<u>(1,445,379.97)</u>	<u>4,681,052.37</u>	<u>4,439,152.60</u>	<u>45,253.58</u>	<u>(1,248,733.78)</u>

Note A: Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Yukon 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 OCAS 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.

**YUKON SCHOOL DISTRICT NO. 27  
CANADIAN COUNTY, OKLAHOMA  
SCHEDULE OF STATUTORY, FIDELITY, AND HONESTY BONDS  
FOR THE YEAR ENDED JUNE 30, 2017**

James Fenrick – Treasurer  
Employee Dishonesty Bond  
Liberty Mutual Company - Policy No. POB-601004405  
\$100,000 Limit  
Effective July 1, 2016 to July 1, 2017

William Jason Simeroth – Superintendent  
Employee Dishonesty Bond  
Liberty Mutual Company - Policy No. POB-601075818  
\$100,000 Limit  
Effective July 1, 2016 to June 30, 2017

Brenda Smith – Assistant Treasurer  
Employee Dishonesty Bond  
Liberty Mutual Company - Policy No. POB-601004387  
\$100,000.00 Limit  
Effective: July 1, 2016 to July 1, 2017

Employee Theft Coverage  
(Including but not limited to Encumbrance Clerk, Minutes Clerk, Activity Fund Custodians)  
OSIG – Policy No. 2014  
\$10,000 Limit  
Effective July 1, 2016 to June 30, 2017

## **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*

October 17, 2017

The Honorable Board of Education  
Yukon School District No. 27  
Canadian 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 of Yukon School District No. 27, Canadian County, Oklahoma as listed in the Table of Contents, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 17, 2017, 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, 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 the 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, noncompliance 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  
(405) 348-3800  
Fax (405) 348-3846

Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Controls over Compliance Required by the Uniform Guidance

October 17, 2017

The Honorable Board of Education  
Yukon School District No. 27  
Canadian County, Oklahoma

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

We have audited Yukon School District No. 27, Canadian County, Oklahoma (the District's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance 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, 2017.

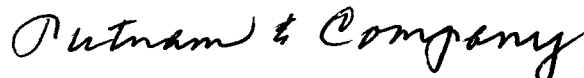
## **Report on Internal Control Over Compliance**

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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



Putnam & Company, PLLC

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

Auditee qualified as low-risk auditee? Yes X No

**YUKON SCHOOL DISTRICT NO. 27  
CANADIAN COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**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, 2017

 **AMY ZIEMBA**  
Notary Public in and for the  
State of Oklahoma  
Commission #03003504  
My Commission expires 6/04/2019



## **MANAGEMENT LETTER AND COMMENTS**

**PUTNAM & COMPANY, PLLC**  
Certified Public Accountants  
169 E. 32<sup>ND</sup>  
EDMOND, OKLAHOMA 73013  
(405) 348-3800  
Fax (405) 348-3846

October 17, 2017

The Honorable Board of Education  
Yukon School District No. 27  
Canadian County, Oklahoma

We have audited financial statements of Yukon School District No. 27, Canadian County, Oklahoma, as of and for the year ended June 30, 2017, as listed in the table of contents, and have issued our report thereon dated October 17, 2017. 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, October 17, 2017 on the financial statements of Yukon School District No. 27.

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,

A handwritten signature in black ink, appearing to read "J. W. Putnam", with a stylized flourish at the end.

Jerry W. Putnam, CPA  
Putnam & Company, PLLC

**YUKON SCHOOL DISTRICT NO. 27  
CANADIAN COUNTY, OKLAHOMA  
MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**PRIOR YEAR'S COMMENTS AND RECOMMENDATIONS**

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

**CURRENT YEAR'S COMMENTS AND RECOMMENDATIONS**

We reviewed expenditures from the District's General Fund, Building Fund, Child Nutrition Fund, Insurance Vision Plan Fund, and Bond Funds, and we found the supporting documentation to be excellent in every instance. However, we noted the following findings:

<b><u>Findings</u></b>	<b><u>No. of Instances</u></b>
Paid Sales Tax	2
Inaccurate Math	1
No Non-Kickback Affidavit	1

Although some invoices were not physically signed as approved, we were able to verify that they were actually approved (through the system's accounting software.)

**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 findings summarized by Site.

<b><u>Site</u></b>	<b><u>Findings</u></b>	<b><u>No. of Instances</u></b>
High School	Did Not Sign For Goods/Services	1
High School	Invoice Date Before P.O. Date	2

We recommend that running tape summaries (or other worksheets) should always be attached to invoices when payments are allocated to separate Activity Fund subaccounts.

**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.