

**STILLWATER PUBLIC SCHOOLS
DISTRICT #16----PAYNE COUNTY**

AUDIT REPORT-----EXECUTIVE SUMMARY

FOR THE YEAR ENDED JUNE 30, 2018

---REPORT FORMAT---

Auditor's Opinion: The financial statements are fairly presented under the appropriate basis of accounting.

Basis of Accounting: A regulatory basis (as prescribed by the Oklahoma State Department of Education.)

Combined Financial Statements: The three summary statements at the beginning of the report.

Notes to the Financial Statements: Provide narrative information to supplement the financial statements.

Combining Financial Statements: Detailed schedules (to expand the coverage of items presented in the **Combined Financial Statements.**)

Other Included Reports:

- (1) **Internal Control and Compliance Report**
- (2) **Major Federal Programs Report**
- (3) **Summary of Findings and Questioned Costs---(Federal Programs)**
- (4) **Management Letters and Comments**

---REPORT HIGHLIGHTS---

	<u>Year Ending Fund Balance:</u>	<u>Increase (Decrease) in the Fund Balance during the year:</u>
General Fund:	\$ 4,497,371	\$ 748,987
Building Fund:	\$ 1,867,595	\$ 901,936
Child Nutrition Fund:	\$ 628,902	\$ 461,705
Bond Funds:	\$ 11,513,286	\$ 1,409,673
Sinking Fund:	\$ 658,053	\$ (248,948)
Activity Fund:	\$ 1,038,900	\$ 23,695

	<u>Bonds</u>	<u>Interest</u>
Long Term Debt Outstanding:	\$ 47,820,000	\$ 3,521,370

Federal Financial Assistance Receivable: prior year: \$ 152,402.00
this year: \$ 202,510.02 receivable at June 30th

Management Letter Comments: (A few recommendations with regard to supporting documentation.)

ANNUAL FINANCIAL REPORT
INDEPENDENT SCHOOL DISTRICT NO. 16
STILLWATER PUBLIC SCHOOL DISTRICT
PAYNE COUNTY, OKLAHOMA
JULY 1, 2017 TO JUNE 30, 2018

STILLWATER PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 16
PAYNE, COUNTY, OKLAHOMA
JUNE 30, 2018

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, 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, 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, and Changes in
Fund Balances – Regulatory Basis – All Capital Project 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 and Compliance over
Financial Reporting in Accordance with Government Auditing Standards
- Independent Auditor's Report on Compliance for Each Major 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

STILLWATER PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
JULY 1, 2017 TO JUNE 30, 2018

SCHOOL DISTRICT BOARD MEMBERS

Dr. Camille DeYong
Eric Gudgel
Dr. Robert Graalman
Marshall Baker
Debra Vincent (July 1, 2017 to February 20, 2018)
Mitsi Andrews (February 20, 2018 to June 30, 2018)

SUPERINTENDENT OF SCHOOL DISTRICT

Dr. Marc Moore

CLERK OF THE BOARD

Annette Jones

SCHOOL DISTRICT TREASURER

Phillip Storm

MINUTES CLERK

Annette Jones

FINANCIAL ACCOUNTANT

Dian Porter

ACTIVITY FUND CUSTODIAN

Dymishia Schnieder

PUTNAM & COMPANY, PLLC
Certified Public Accountants
169 E. 32ND
Edmond, Oklahoma 73013
(405) 348-3800
Fax (405) 348-3846

INDEPENDENT AUDITOR'S REPORT

October 24, 2018

The Honorable Board of Education
Stillwater School District No. 16
Payne County, Oklahoma

Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of Stillwater School District No. 16, Payne County, Oklahoma, as of and for the year ended June 30, 2018, 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, 2018, 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, 2018, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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 24, 2018 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

**STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINED STATEMENT OF ASSETS AND LIABILITIES
(ALL FUND TYPES AND ACCOUNT GROUPS) - REGULATORY BASIS
JUNE 30, 2018**

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Totals
	General	Special Revenue	Debt Service	Capital Projects Fund	Trust and Agency	General Long-Term Debt	(Memorandum Only)
ASSETS							
Cash and Cash Equivalents	\$10,005,268	2,702,164	6,912,638	17,804,655	1,370,153		38,794,878
Amount available in Debt Service Fund						658,053	658,053
Amount to be provided for retirement of General Long-Term Debt						44,428,732	44,428,732
Total Assets	\$10,005,268	2,702,164	6,912,638	17,804,655	1,370,153	45,086,785	83,881,663
LIABILITIES							
Warrants Payable	\$5,506,808	205,320		152,585	331,253		6,195,966
Reserved for Encumbrances	1,089	347		6,138,784			6,140,220
General Obligation Bonds Payable			6,178,333			41,641,667	47,820,000
Interest Payable on Bonds			76,252			3,445,118	3,521,370
Total Liabilities	5,507,897	205,667	6,254,585	6,291,369	331,253	45,086,785	63,677,556
FUND EQUITY							
Fund Balances:							
Restricted for Building Projects		1,867,595					1,867,595
Restricted for Child Nutrition Programs		628,902					628,902
Restricted for Debt Service			658,053				658,053
Restricted for Capital Projects				11,513,286			11,513,286
Restricted for Student Activities					1,038,900		1,038,900
Unassigned	4,497,371						4,497,371
Total Fund Balance	4,497,371	2,496,497	658,053	11,513,286	1,038,900	0	20,204,107
Total Liabilities and Fund Equity	\$10,005,268	2,702,164	6,912,638	17,804,655	1,370,153	45,086,785	83,881,663

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE 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, 2018

	Governmental Fund Types				Fiduciary Fund Types	Totals
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	(Memorandum Only)
REVENUES:						
Local Sources	\$15,140,212	3,175,335	10,136,757	27,578	2,190,003	30,669,885
Intermediate Sources	2,190,161					2,190,161
State Sources	20,145,581	501,340				20,646,921
Federal Sources	2,686,687	1,889,354				4,576,041
Total Revenues	40,162,641	5,566,029	10,136,757	27,578	2,190,003	58,083,008
EXPENDITURES:						
Instruction	24,218,937	7,886		829,320		25,056,143
Support Services	15,047,736	1,465,504		2,536,460		19,049,700
Non-Instructional Services	146,409	2,446,888			2,166,308	4,759,605
Facilities Acquisition & Construction Services		291,033		7,168,781		7,459,814
Other Outlays	6,662	925				7,587
Repayments						0
DEBT SERVICE						
Bonds Accrued			9,688,333			9,688,333
Coupons Accrued			917,752			917,752
Total Expenditures	39,419,744	4,212,236	10,606,085	10,534,561	2,166,308	66,938,934
Revenues Over (Under) Expenditures	742,897	1,353,793	(469,328)	(10,506,983)	23,695	(8,855,926)
OTHER FINANCING SOURCES (USES):						
Proceeds from Sale of Bonds				11,913,700		11,913,700
Return of Assets		925	220,380			221,305
Estopped Warrants	5,287	4,270				9,557
Deobligation of Prior Year Funds	803	4,753		2,956		8,512
Total Other Financing Sources (Uses)	6,090	9,948	220,380	11,916,656	0	12,153,074
Revenue and Other Sources Over (Under) Expenditures and Other Uses	748,987	1,363,741	(248,948)	1,409,673	23,695	3,297,148
Fund Balance, Beginning of Year	3,748,384	1,132,856	907,001	10,103,613	1,015,205	16,907,059
Fund Balance, End of Year	\$4,497,371	2,496,597	658,053	11,513,286	1,038,900	20,204,207

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE 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, 2018

	General Fund			Special Revenue Funds			
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:							
Local Sources	\$14,136,654	15,140,212	1,003,558	2,702,638	2,702,638	3,175,335	472,697
Intermediate Sources	1,986,305	2,190,161	203,856				0
State Sources	19,684,644	20,145,581	460,937	409,392	409,392	501,340	91,948
Federal Sources	2,366,118	2,686,687	320,569	1,351,399	1,426,422	1,889,254	462,832
Total Revenues	38,173,721	40,162,641	1,988,920	4,463,429	4,538,452	5,565,929	1,027,477
EXPENDITURES :							
Instruction	27,615,305	24,218,937	3,396,368	8,000	8,000	7,886	114
Support Services	14,150,000	15,047,736	(897,736)	2,892,303	2,892,303	1,465,504	1,426,799
Non-Instructional Services	150,000	146,409	3,591	2,399,982	2,475,005	2,446,888	28,117
Facilities Acquisition & Construction Services			0	295,000	295,000	291,033	3,967
Other Outlays	6,800	6,662	138	1,000	1,000	925	75
Total Expenditures	41,922,105	39,419,744	2,502,361	5,596,285	5,671,308	4,212,236	1,459,072
Revenues Over (Under) Expenditures	(3,748,384)	742,897	4,491,281	(1,132,856)	(1,132,856)	1,353,693	2,486,549
OTHER FINANCING SOURCES (USES):							
Return of Assets			0			925	925
Estopped Warrants		5,287	5,287			4,270	4,270
Deobligation of Prior Year Funds		803	803			4,753	4,753
Total Other Financing Sources (Uses)	0	6,090	6,090	0	0	9,948	9,948
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(3,748,384)	748,987	4,497,371	(1,132,856)	(1,132,856)	1,363,641	2,496,497
Fund Balance, Beginning of Year	3,748,384	3,748,384	0	1,132,856	1,132,856	1,132,856	0
Fund Balance, End of Year	\$0	4,497,371	4,497,371	0	0	2,496,497	2,496,497

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

NOTES TO FINANCIAL STATEMENTS

STILLWATER SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Stillwater Public Schools Independent District No. 16, Payne 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.

STILLWATER SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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.

The Co-op Fund derives monies from Federal 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.

**STILLWATER SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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.

STILLWATER SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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.

STILLWATER SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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

Inventories – The value of consumable inventories at June 30, 2018 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.

STILLWATER SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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.

G. Budgets and Budgetary Accounting – Estimate of Needs

The District is required by state law and 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 additional levy, the District must hold an election on the first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate. A budget is legally adopted by the Board of Education for the General Fund, Special Revenue Funds (Building Fund, Coop Fund, and Child Nutrition Fund) and the Debt Service Fund, that includes revenues and expenditures.

The 2017-18 Estimate of Needs was approved by the Board and subsequently filed with the County Clerk. The Estimate of Needs was approved by the excise board and the requested levies were made.

H. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting—under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund—is utilized in all governmental funds of the District. Appropriations not used or encumbered will lapse at the end of the year.

I. Use of Estimates

The preparation of financial statements in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Accordingly, actual results could differ from those estimates.

**STILLWATER SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018, the District was not exposed to custodial credit 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.

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, 2018, the District had no concentration of credit risk as defined above.

**STILLWATER SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

3. INTERFUND RECEIVABLES AND PAYABLES

There were no Interfund receivables or payables at June 30, 2018.

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.

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, 2018:

	<u>Bonds Payable</u>	<u>Total</u>
Balance, July 1, 2017	\$ 43,100,000	\$ 43,100,000
Additions	12,000,000	12,000,000
Retirements	7,280,000	7,280,000
Balance, June 30, 2018	<u>\$ 47,820,000</u>	<u>\$ 47,820,000</u>

A brief description of the outstanding general obligation bond issues at June 30, 2018 is set forth below:

	<u>Amount Outstanding</u>
Independent School District No. 16 Building Bonds, Series 2018, original Issue \$12,000,000, interest rate of 2.25% to 3.0%, due in an annual installment of \$2,000,000, final payment of \$2,000,000 due June 1, 2025.	\$ 12,000,000
Independent School District No. 16 Building Bonds, Series 2017, original Issue \$8,000,000, interest rate of 2.0% to 3.0%, due in an annual installment of \$1,600,000, final payment of \$1,600,000 due June 1, 2023.	8,000,000
Independent School District No. 16 Building Bonds, Series 2017, original Issue \$15,000,000, interest rate of 2.0% to 3.0%, due in an annual installment of \$3,000,000, final payment of \$3,000,000 due June 1, 2023.	15,000,000

**STILLWATER SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

4. GENERAL LONG-TERM DEBT - (continued)

Independent School District No. 16 Building Bonds, Series 2016, original Issue \$4,750,000, interest rate of 1.4% to 2.0%, due in an annual installment of \$1,185,000, final payment of \$1,195,000 due May 1, 2021.	3,565,000
Independent School District No. 16 Building Bonds, Series 2015, original Issue \$2,800,000, interest rate of 1.0% to 2.0%, due in an annual installment of \$310,000, final payment of \$320,000 due May 1, 2025.	2,180,000
Independent School District No. 16 Combined Purpose Bonds, Series 2015, original Issue \$1,200,000, interest rate of 1.00% to 1.25%, due in an annual installment of \$300,000, final payment of \$300,000 due May 1, 2020.	600,000
Independent School District No. 16 Combined Purpose Bonds, Series 2014, original Issue \$8,300,000, interest rate of 0.50% to 1.25%, due in an annual installment of \$2,075,000, final payment of \$2,075,000 due June 1, 2019.	2,075,000
Independent School District No. 16 Combined Purpose Bonds, Series 2013, original Issue \$1,800,000, interest rate of 1.00% to 3.00%, due in an annual installment of \$450,000, final payment of \$450,000 due October 1, 2018.	450,000
Independent School District No. 16 Building Bonds, Series 2011, original Issue \$11,750,000, interest rate of 2.00% to 3.125%, due in an annual installment of \$1,300,000, final payment of \$1,350,000 due June 1, 2021.	<u>3,950,000</u>
TOTAL	<u>\$47,820,000</u>

**STILLWATER SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

4. GENERAL LONG-TERM DEBT - (continued)

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

Year ending <u>June 30</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 10,220,000	\$ 1,086,073	\$ 11,306,073
2020	9,695,000	854,760	10,549,760
2021	9,455,000	651,737	10,106,737
2022	6,910,000	439,000	7,349,000
2023	6,910,000	290,800	7,200,800
2024	2,310,000	132,600	2,442,600
2025	2,320,000	66,400	2,386,400
	----- \$ 47,820,000	----- \$ 3,521,370	----- \$ 51,341,370

Interest expense on general long-term debt incurred during the current year totaled \$917,752.

5. EMPLOYEE RETIREMENT SYSTEM

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

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

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.

**STILLWATER SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018.

Annual Pension Cost

The District made the following contributions to the Retirement System:

Fiscal Year Ended June 30, 2018	\$ 2,157,777
Fiscal Year Ended June 30, 2017	\$ 2,137,221
Fiscal Year Ended June 30, 2016	\$ 2,217,657

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.

7. RISK MANAGEMENT AND LITIGATION

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

OTHER SUPPLEMENTARY INFORMATION

**STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS
SPECIAL REVENUE FUNDS
JUNE 30, 2018**

	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (Memorandum Only)</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	<u>\$1,936,632</u>	<u>765,532</u>	<u>2,702,164</u>
 Total Assets	 <u>\$1,936,632</u>	 <u>765,532</u>	 <u>2,702,164</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Warrants Outstanding	\$69,037	136,283	205,320
Reserved for Encumbrances	<u> </u>	<u>347</u>	<u>347</u>
 Total Liabilities	 <u>69,037</u>	 <u>136,630</u>	 <u>205,667</u>
 Fund Equity:			
Restricted for Building Fund Purposes	1,867,595		1,867,595
Restricted for Child Nutrition Fund Purposes	<u> </u>	<u>628,902</u>	<u>628,902</u>
 Total Fund Equity	 <u>1,867,595</u>	 <u>628,902</u>	 <u>2,496,497</u>
 Total Liabilities and Fund Equity	 <u>\$1,936,632</u>	 <u>765,532</u>	 <u>2,702,164</u>

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (Memorandum Only)</u>
Revenues:			
Local Sources	\$2,444,475	730,860	3,175,335
State Sources	220,000	281,340	501,340
Federal Sources		<u>1,889,254</u>	<u>1,889,254</u>
Total Revenues Collected	<u>2,664,475</u>	<u>2,901,454</u>	<u>5,565,929</u>
Expenditures:			
Instruction	7,886		7,886
Support Services	1,465,504		1,465,504
Non-Instructional Services		2,446,888	2,446,888
Facilities Acquisition & Construction Services	291,033		291,033
Other Outlays		<u>925</u>	<u>925</u>
Total Expenditures	<u>1,764,423</u>	<u>2,447,813</u>	<u>4,212,236</u>
Excess of Revenues Over Expenditures	<u>900,052</u>	<u>453,641</u>	<u>1,353,693</u>
Other Financing Sources (Uses):			
Return of Assets		925	925
Estopped Warrants	1,884	2,386	4,270
Deobligation of Prior Year Funds		<u>4,753</u>	<u>4,753</u>
Total Other Financing Sources (Uses):	<u>1,884</u>	<u>8,064</u>	<u>9,948</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	901,936	461,705	1,363,641
Fund Balance, Beginning of Year	<u>965,659</u>	<u>167,197</u>	<u>1,132,856</u>
Fund Balance, End of Year	<u>\$1,867,595</u>	<u>628,902</u>	<u>2,496,497</u>

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE 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, 2018

	Building Fund			Child Nutrition Fund			
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:							
Local Sources	\$1,983,644	2,444,475	460,831	718,994	718,994	730,860	11,866
State Sources	246,000	220,000	(26,000)	163,392	163,392	281,340	117,948
Federal Sources			0	1,351,399	1,426,422	1,889,254	462,832
Total Revenues	2,229,644	2,664,475	434,831	2,233,785	2,308,808	2,901,454	592,646
EXPENDITURES :							
Instruction	8,000	7,886	114				0
Support Services	2,892,303	1,465,504	1,426,799				0
Operation of Non-Instructional Services			0	2,399,982	2,475,005	2,446,888	28,117
Facilities Acquisition & Construction Services	295,000	291,033	3,967				0
Other Outlays			0	1,000	1,000	925	75
Total Expenditures	3,195,303	1,764,423	1,430,880	2,400,982	2,476,005	2,447,813	28,192
Revenues Over (Under) Expenditures	(965,659)	900,052	1,865,711	(167,197)	(167,197)	453,641	620,838
OTHER FINANCING SOURCES (USES):							
Return of Assets			0			925	925
Estopped Warrants		1,884	1,884			2,386	2,386
Deobligation of Prior Year Funds			0			4,753	4,753
Total Other Financing Sources (Uses)	0	1,884	1,884	0	0	8,064	8,064
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(965,659)	901,936	1,867,595	(167,197)	(167,197)	461,705	628,902
Fund Balance, Beginning of Year	965,659	965,659	0	167,197	167,197	167,197	0
Fund Balance, End of Year	\$0	1,867,595	1,867,595	0	0	628,902	628,902

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

**STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS
CAPITAL PROJECTS FUNDS
JUNE 30, 2018**

	BOND FUND #31	BOND FUND #39	TOTALS (Memorandum Only)
<u>ASSETS</u>			
Cash and Cash Equivalents	\$17,318,545	486,110	17,804,655
Total Assets	<u>\$17,318,545</u>	<u>486,110</u>	<u>17,804,655</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Warrants Outstanding	\$132,855	19,730	152,585
Reserved for Encumbrances	6,120,613	18,171	6,138,784
Total Liabilities	<u>\$6,253,468</u>	<u>\$37,901</u>	<u>6,291,369</u>
Fund Equity:			
Reserved for Capital Projects	11,065,077	448,209	11,513,286
Total Fund Equity	<u>11,065,077</u>	<u>448,209</u>	<u>11,513,286</u>
Total Liabilities and Fund Equity	<u>\$17,318,545</u>	<u>486,110</u>	<u>17,804,655</u>

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>BOND FUND</u> #31	<u>BOND FUND</u> #39	<u>TOTALS</u> (Memorandum Only)
Revenues:			
Local Sources	<u>\$27,178</u>	<u>400</u>	<u>27,578</u>
Total Revenues Collected	<u>27,178</u>	<u>400</u>	<u>27,578</u>
Expenditures:			
Instruction	812,706	16,614	829,320
Support Services	1,633,362	903,098	2,536,460
Facilities Acquisition & Constr. Srv.	<u>6,366,200</u>	<u>802,581</u>	<u>7,168,781</u>
Total Expenditures	<u>8,812,268</u>	<u>1,722,293</u>	<u>10,534,561</u>
Excess of Revenues Over Expenditures	(8,785,090)	(1,721,893)	(10,506,983)
Other Financing Sources (Uses):			
Proceeds from Sale of Bonds	11,913,700		11,913,700
Deobligation of Prior Year Funds		<u>2,956</u>	<u>2,956</u>
Total Other Financing Sources (Uses):	<u>11,913,700</u>	<u>2,956</u>	<u>11,916,656</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	3,128,610	(1,718,937)	1,409,673
Fund Balance, Beginning of Year	<u>7,936,467</u>	<u>2,167,146</u>	<u>10,103,613</u>
Fund Balance, End of Year	<u><u>\$11,065,077</u></u>	<u><u>448,209</u></u>	<u><u>11,513,286</u></u>

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - BOARD OF EDUCATION
JULY 1, 2017 TO JUNE 30, 2018

	Balance <u>7/1/2017</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	Balance <u>6/30/2018</u>
Special Events	\$2,650.49	8,824.84	0.00	11,354.79	120.54
Elem Stu Supp	356.15	0.00	0.00	356.15	0.00
Technology	4,710.73	1,375.00	0.00	1,337.96	4,747.77
Support Employee of the Year	<u>0.00</u>	<u>1,000.00</u>	<u>0.00</u>	<u>23.88</u>	<u>976.12</u>
TOTAL	<u>\$7,717.37</u>	<u>11,199.84</u>	<u>0.00</u>	<u>13,072.78</u>	<u>5,844.43</u>

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

**STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - CURRICULUM
JULY 1, 2017 TO JUNE 30, 2018**

	<u>Balance</u> <u>7/1/2017</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>6/30/2018</u>
Grant/Change of Course	\$1,302.21	22,045.84	(10,000.00)	12,286.38	1,061.67
Textbook Recovery	181.27	3,360.25	0.00	933.35	2,608.17
After School Technology	2,546.00	2,345.00	0.00	1,405.80	3,485.20
After School Childcare	215,298.09	395,002.38	(10,000.00)	344,293.95	256,006.52
Teacher of the Year	3,867.45	2,900.00	0.00	2,155.45	4,612.00
After School Art	24,196.42	14,415.00	0.00	11,286.53	27,324.89
Professional Development	0.00	1,181.44	10,000.00	7,165.03	4,016.41
Student Supplies	0.00	124,410.50	0.00	124,410.50	0.00
Pioneer Pantry	0.00	600.00	10,000.00	0.00	10,600.00
	<u>0.00</u>	<u>600.00</u>	<u>10,000.00</u>	<u>0.00</u>	<u>10,600.00</u>
TOTAL	<u><u>\$247,391.44</u></u>	<u><u>566,260.41</u></u>	<u><u>0.00</u></u>	<u><u>503,936.99</u></u>	<u><u>309,714.86</u></u>

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

**STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - HIGHLAND ELEMENTARY SCHOOL
JULY 1, 2017 TO JUNE 30, 2018**

	<u>Balance 07/01/17</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance 6/30/18</u>
Art	\$112.25	433.65	0.00	0.00	545.90
Facility Rental	6,033.12	525.00	0.00	1,619.00	4,939.12
Running Club	331.75	2,455.00	0.00	2,479.25	307.50
Library	1,416.10	2,440.30	4,147.59	449.19	7,554.80
Student Supplies	4,099.65	21,823.03	0.00	18,711.72	7,210.96
Summer School	0.00	600.00	0.00	600.00	0.00
Special Events	8,725.55	11,239.40	(1,950.00)	10,688.58	7,326.37
FR Book Fair 1st Semester	0.00	4,224.94	(1,048.05)	3,176.89	0.00
FR Book Fair 2nd Semester	0.00	4,187.61	(3,099.54)	0.00	1,088.07
Field Trips	0.00	0.00	0.00	0.00	0.00
Science Club	0.00	840.00	1,950.00	594.25	2,195.75
FR Art Yearbook	0.00	0.00	0.00	0.00	0.00
FR Art Square 1 Art	0.00	0.00	0.00	0.00	0.00
SMC Grant	0.00	663.00	0.00	0.00	663.00
	<u>0.00</u>	<u>663.00</u>	<u>0.00</u>	<u>0.00</u>	<u>663.00</u>
TOTAL	<u>\$20,718.42</u>	<u>49,431.93</u>	<u>0.00</u>	<u>38,318.88</u>	<u>31,831.47</u>

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - LINCOLN ALTERNATIVE ACADEMY
JULY 1, 2017 TO JUNE 30, 2018

	<u>Balance</u> <u>07/01/17</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>06/30/18</u>
Miscellaneous	\$577.23	443.75	0.00	303.52	717.46
Facility Rental	0.00	0.00	0.00	0.00	0.00
Grants	352.57	0.00	0.00	0.00	352.57
Indian Student Association	140.51	0.00	0.00	0.00	140.51
Friends of Lincoln	<u>1,615.92</u>	<u>254.00</u>	<u>0.00</u>	<u>710.22</u>	<u>1,159.70</u>
TOTAL	<u><u>\$2,686.23</u></u>	<u><u>697.75</u></u>	<u><u>0.00</u></u>	<u><u>1,013.74</u></u>	<u><u>2,370.24</u></u>

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

**STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - RICHMOND ELEMENTARY SCHOOL
JULY 1, 2017 TO JUNE 30, 2018**

	<u>Balance</u> 07/01/17	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> 06/30/18
Facility Rental	\$562.65	0.00	0.00	543.93	18.72
Library	564.97	164.45	0.00	(9.00)	738.42
Miscellaneous	2,259.13	8,030.26	0.00	7,186.56	3,102.83
Choir	81.20	0.00	0.00	0.00	81.20
Student Supplies	7,201.90	30,783.55	0.00	21,111.36	16,874.09
Summer School	225.00	0.00	0.00	225.00	0.00
TOTAL	<u>\$10,894.85</u>	<u>38,978.26</u>	<u>0.00</u>	<u>29,057.85</u>	<u>20,815.26</u>

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - SKYLINE ELEMENTARY SCHOOL
JULY 1, 2017 TO JUNE 30, 2018

	Balance <u>7/01/17</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	Balance <u>6/30/18</u>
After School Art Program	\$110.00	0.00	0.00	16.82	93.18
Facility Rental	3,313.97	0.00	0.00	724.06	2,589.91
Adaptive PE	153.38	0.00	0.00	0.00	153.38
Field Trips	32.25	0.00	0.00	0.00	32.25
Library	567.73	616.65	0.00	305.74	878.64
Teacher Grants	118.58	750.00	0.00	393.81	474.77
Student Supplies	11,028.33	17,539.91	0.00	19,286.73	9,281.51
Summer School	0.00	0.00	0.00	0.00	0.00
Special Events	3,548.33	8,675.08	0.00	4,271.29	7,952.12
Super Kids Fund	124.08	0.00	0.00	0.00	124.08
Student Store	511.05	0.00	0.00	0.00	511.05
Safety/Health Initiatives	3,428.22	0.00	0.00	0.00	3,428.22
Adaptive Swim	200.55	0.00	0.00	0.00	200.55
Skyline Garden Grant	150.19	0.00	0.00	0.00	150.19
TOTAL	<u><u>\$23,286.66</u></u>	<u><u>27,581.64</u></u>	<u><u>0.00</u></u>	<u><u>24,998.45</u></u>	<u><u>25,869.85</u></u>

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - STILLWATER HIGH SCHOOL
JULY 1, 2017 TO JUNE 30, 2018

	<u>Balance</u> <u>7/01/17</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>6/30/18</u>
Art Club	\$1,700.32	100.00	0.00	106.06	1,694.26
Football	2,524.84	400.00	0.00	0.00	2,924.84
Boys Basketball	821.51	3,700.00	1,935.00	3,097.00	3,359.51
Girls Basketball	175.03	3,479.50	2,640.00	6,221.98	72.55
Swimming	(96.98)	3,250.00	0.00	110.00	3,043.02
Boys Baseball	2,198.26	0.00	0.00	0.00	2,198.26
Wrestling	3,058.52	2,580.00	794.50	5,964.90	468.12
Boys Tennis	0.00	250.00	0.00	107.50	142.50
Girls Tennis	0.00	250.00	0.00	107.50	142.50
Boys Track	50.00	0.00	0.00	0.00	50.00
Girls Track	145.00	0.00	0.00	0.00	145.00
Boys Golf	169.74	100.00	0.00	0.00	269.74
Cross Country	129.99	0.00	0.00	0.00	129.99
Boys Soccer	7.70	1,428.00	0.00	1,428.00	7.70
Girls Volleyball	0.50	0.00	0.00	0.00	0.50
Girls Golf	934.44	900.00	0.00	184.02	1,650.42
State Playoffs	4,224.93	33,016.26	0.00	30,751.76	6,489.43
All Sports	55,312.57	168,315.44	0.00	161,712.81	61,915.20
Band	31,398.90	35,405.63	13,828.89	58,984.95	21,648.47
Beta Club	1,306.27	3,005.00	0.00	3,508.53	802.74
Cheer Sponsor	158.95	0.00	0.00	0.00	158.95
Stadium Concessions	28,045.88	43,322.35	0.00	28,322.80	43,045.43
Summer School	0.00	0.00	0.00	0.00	0.00
DECA	1,330.57	0.00	0.00	0.00	1,330.57
Drama Club	1,750.28	100.00	0.00	0.00	1,850.28
Matt Foster Memorial	830.00	0.00	0.00	0.00	830.00
FFA	15,699.82	30,034.20	22,343.10	52,796.95	15,280.17
French Club	281.19	210.00	0.00	313.73	177.46
SHS - PAC	16,818.14	17,960.00	0.00	5,987.92	28,790.22
FCCLA	804.80	3,935.83	8,136.44	12,638.98	238.09

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - STILLWATER HIGH SCHOOL
JULY 1, 2017 TO JUNE 30, 2018

	<u>Balance</u> <u>7/01/17</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>6/30/18</u>
Book Club	27.03	0.00	0.00	0.00	27.03
POW	0.00	0.00	0.00	0.00	0.00
Raymond Estes Scholarship	5,895.60	0.00	0.00	0.00	5,895.60
Instructional	10,136.49	21,809.00	0.00	26,410.54	5,534.95
Junior Class	1,795.94	13,325.00	458.29	8,391.40	7,187.83
Key Club	14.16	375.00	0.00	344.54	44.62
Spanish National Honor Society	1,030.02	0.00	0.00	0.00	1,030.02
Library	235.11	306.14	438.50	499.39	480.36
Girls Soccer	505.37	1,300.00	0.00	804.24	1,001.13
Miscellaneous	7,010.53	4,295.91	(750.67)	8,700.15	1,855.62
Mu Alpha Theta	909.92	615.00	0.00	477.44	1,047.48
National Honor Society	2,455.98	4,215.00	0.00	3,388.73	3,282.25
Newspaper	4,164.47	2,667.00	0.00	3,602.15	3,229.32
Orchestra	3,081.32	95,569.01	4,982.60	69,773.65	33,859.28
Pioneer Annual	40,402.07	35,401.32	0.00	32,244.25	43,559.14
Textbooks	1,016.44	727.18	0.00	1,743.62	0.00
Parking Fees	3,667.88	15,129.75	0.00	16,536.96	2,260.67
Senior Class	12,627.38	3,620.00	1,795.94	5,878.55	12,164.77
Academic Team	317.02	9,157.51	0.00	6,531.32	2,943.21
Sophomore Class	1,714.73	2,140.00	(1,714.73)	638.03	1,501.97
Spanish Club	159.58	300.00	0.00	210.00	249.58
Student Council	14,774.48	19,658.00	110,411.90	126,117.87	18,726.51
Varsity Cheerleaders	30.51	5,500.00	662.00	6,142.15	50.36
Varsity Poms	298.77	0.00	289.00	0.00	587.77
Vocal Music	22,545.80	48,313.49	4,317.80	54,940.17	20,236.92
Youth & Government	7.39	14,761.87	0.00	14,644.67	124.59
Teacher Courtesy Fund	376.42	415.00	0.00	147.28	644.14
Best Buddies	100.00	520.00	0.00	240.00	380.00
W. Welch Memorial Wrstlng Sch	3,145.00	0.00	0.00	0.00	3,145.00
FR Band Catalog Sales	0.00	12,214.00	(5,279.30)	6,934.70	0.00
FR Band STW Finest Cards	0.00	2,895.00	(1,699.00)	1,196.00	0.00
FR Band Magazine Sales	0.00	4,756.00	(3,428.59)	1,327.41	0.00

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - STILLWATER HIGH SCHOOL
JULY 1, 2017 TO JUNE 30, 2018

	<u>Balance</u> 7/01/17	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> 6/30/18
FR Chldrs STW Finest Cards	0.00	1,650.00	(935.00)	715.00	0.00
African America Student Assoc	184.97	1,000.00	0.00	384.00	800.97
FR FR Junior Class Hat Sales	0.00	0.00	0.00	0.00	0.00
FR Girls BB STW Finest Cards	0.00	4,655.00	(2,640.00)	2,015.00	0.00
FR LIB STW Finest Cards	0.00	770.00	(438.50)	331.50	0.00
Theater Performance	27,939.55	12,093.01	0.00	8,786.50	31,246.06
FR Orch STW Finest Cards	0.00	2,130.00	(1,207.00)	923.00	0.00
FR Wr STW Finest Cards	0.00	1,425.00	(794.50)	630.50	0.00
FR Boys BB STW Finest Card	0.00	3,430.00	(1,935.00)	1,495.00	0.00
N-D-N Club	26.51	0.00	0.00	0.00	26.51
FR FFA Meat Sales/I Sem	0.00	75,903.00	(10,988.00)	64,915.00	0.00
FR Chorale STW Finest Cards	0.00	6,607.00	(3,526.00)	3,081.00	0.00
L. Allred Memorial Golf Sch.	19,000.00	2,000.00	0.00	500.00	20,500.00
Orchestra Booster Club	7,240.84	6,481.93	0.00	3,307.99	10,414.78
Young Democrats Club	219.00	0.00	0.00	0.00	219.00
FR Orch Magazne & Frozen Foo	0.00	14,370.00	(3,725.60)	10,644.40	0.00
FR Band Pastry Sales	0.00	6,798.00	(3,422.00)	3,376.00	0.00
POM Sponsor	7.33	0.00	0.00	0.00	7.33
Soft Drink Commission	206.32	203.23	0.00	145.80	263.75
FR Library Cookbook Sales	0.00	0.00	0.00	0.00	0.00
FR Track Adrenaline Sales	0.00	0.00	0.00	0.00	0.00
FR Chorale Catalog Sales/I Sem	0.00	778.00	(311.80)	466.20	0.00
FR Orchestra Cookie Dough	0.00	0.00	0.00	0.00	0.00
FR FCCLA Tumbler Sales	0.00	0.00	0.00	0.00	0.00
FR FCCLA Bake Sale	0.00	0.00	0.00	0.00	0.00
FR FCCLA/BETA Club Pink Out	0.00	11,348.80	(7,863.44)	3,485.36	0.00
FR Academic Team Tervis Cup	0.00	0.00	0.00	0.00	0.00
FR Chorale Jewelry & Tumblr	0.00	0.00	0.00	0.00	0.00
FR Cheer STW Finest Cards	0.00	0.00	0.00	0.00	0.00
FR Stuco Howdy Wk T-Shirts	0.00	6,963.00	(1,440.34)	5,522.66	0.00
Disc Golf & Ultimate Club	131.92	377.00	0.00	502.00	6.92
Art Instructional	652.76	1,850.00	0.00	1,826.92	675.84
FR Jr Class H/C T-Shirt Sales	0.00	1,874.00	(539.50)	1,334.50	0.00
Pottery Instructional	3,592.95	2,600.00	0.00	1,619.13	4,573.82
FR Choir Candle Sale	0.00	1,350.00	(480.00)	870.00	0.00

**STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - STILLWATER HIGH SCHOOL
JULY 1, 2017 TO JUNE 30, 2018**

	Balance <u>7/01/17</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	Balance <u>6/30/18</u>
FR FFA Meat Sales/II Sem	0.00	27,413.10	(2,261.60)	25,151.50	0.00
International Club	54.56	0.00	0.00	0.00	54.56
Writing Club	25.47	0.00	0.00	0.00	25.47
Pioneer Chess Club	55.00	0.00	0.00	0.00	55.00
FR Chorale Silent Auction	0.00	0.00	0.00	0.00	0.00
FR Orch Booster Tshirt Sales	0.00	50.00	(50.00)	0.00	0.00
Stillwater Makes a Change	114,382.56	157,283.66	(107,445.56)	164,220.66	0.00
Poetry Club	115.38	35.00	0.00	0.00	150.38
FR Stuco Pullover Sales	0.00	5,135.00	(1,526.00)	3,609.00	0.00
History Club Haines	131.42	0.00	0.00	0.00	131.42
FR Pom STW Finest Cards	0.00	510.00	(289.00)	221.00	0.00
FR Orch Bstrs Dessert Recept	0.00	0.00	0.00	0.00	0.00
FR Orch Bstrs Symp in Spring	0.00	0.00	0.00	0.00	0.00
FR Chorale Spring Candle Sale	0.00	0.00	0.00	0.00	0.00
Pioneer Pantry	0.00	6,155.00	750.67	5,000.00	1,905.67
FR FFA Plant Sale	0.00	9,093.50	(9,093.50)	0.00	0.00
TOTAL	<u><u>\$482,193.12</u></u>	<u><u>1,044,060.62</u></u>	<u><u>0.00</u></u>	<u><u>1,085,290.22</u></u>	<u><u>440,963.52</u></u>

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - STILLWATER JUNIOR HIGH SCHOOL
JULY 1, 2017 TO JUNE 30, 2018

	Balance <u>07/01/17</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	Balance <u>06/30/18</u>
Art	\$264.19	3,726.00	0.00	3,821.41	168.78
Athletics	13,204.12	59,029.04	0.00	44,957.16	27,276.00
Cheerleaders	10,896.61	11,897.49	5,225.50	19,914.06	8,105.54
Clearing	1,829.75	1,076.86	0.00	2,906.61	0.00
SRO - Officer Blankinship	0.00	2,563.41	0.00	2,563.41	0.00
Teacher Courtesy Fund	246.45	317.00	0.00	340.94	222.51
Special Events	316.40	204.33	0.00	324.07	196.66
Mock Trial	1,297.00	1,230.00	956.91	948.00	2,535.91
FCCLA	186.79	1,170.00	0.00	1,059.00	297.79
General	3,353.24	3,482.19	(17.39)	5,071.89	1,746.15
Facility Rental	12,762.79	8,120.00	17.39	20,776.65	123.53
Sewing	1,045.15	1,120.00	0.00	555.05	1,610.10
Journalism	15,369.07	13,020.00	0.00	9,067.82	19,321.25
Language Arts	5.40	250.00	0.00	0.00	255.40
Library	1,067.54	159.99	15.36	630.81	612.08
Locker	34.44	20.00	0.00	0.00	54.44
Summer School	0.00	0.00	0.00	0.00	0.00
Pioneer Peer Partners	200.00	0.00	0.00	167.14	32.86
Business Professionals of America	0.00	422.00	0.00	422.00	0.00
Science	0.00	0.00	0.00	0.00	0.00
Social Studies	410.88	250.00	0.00	157.89	502.99
Spanish	41.49	537.46	0.00	549.78	29.17
Speech	564.26	1,069.10	466.00	1,106.96	992.40
Art-Jackson	52.71	2,530.00	0.00	2,561.06	21.65
Drivers Education	15,400.00	13,475.00	0.00	28,875.00	0.00
Student Council	3,116.61	7,522.00	72.20	8,663.11	2,047.70
Tech Education	0.00	0.00	0.00	0.00	0.00
TSA	577.12	1,957.00	0.00	1,318.00	1,216.12
Vocal Music	1,079.51	2,475.00	1,556.75	3,094.73	2,016.53
Aficionado Club	0.00	0.00	0.00	0.00	0.00
Beta Club	552.96	3,324.00	0.00	2,758.77	1,118.19
Youth & Government	0.96	3,555.00	0.00	3,403.00	152.96
FR Library Book Fair/II Sem	0.00	1,857.23	(15.36)	0.00	1,841.87
FR Library Book Fair	0.00	2,090.69	0.00	2,090.69	0.00
FR V.Music Catalog Sales/1 Sem	0.00	3,255.75	(1,556.75)	1,699.00	0.00
FR Library Used Book Sale	0.00	0.00	0.00	0.00	0.00
Identificatin Cards	736.98	4,775.00	0.00	4,008.00	1,503.98
FR Stuco T-Shirt Sales	0.00	0.00	0.00	0.00	0.00
FR TSA Car Wash/May	0.00	3,800.00	(1,850.00)	1,950.00	0.00
FR Chrldrs Flower Sales	0.00	3,416.00	(2,387.50)	1,028.50	0.00
FR TSA Popcorn Sales/Mar	0.00	0.00	0.00	0.00	0.00
FR Stuco Candycane Grams	0.00	72.20	(72.20)	0.00	0.00
FR Stuco Carnival/BBall Tourn	0.00	0.00	0.00	0.00	0.00
FR Stuco T-Shirt Sales	0.00	0.00	0.00	0.00	0.00
FR Drama Pledge Drive	0.00	466.00	(466.00)	0.00	0.00
FR Mock Trial Lollipops	0.00	1,436.91	(956.91)	480.00	0.00
FR Mock Trial Pancake Dinner	0.00	0.00	0.00	0.00	0.00
FR Mock Trial Sticker Sales	0.00	0.00	0.00	0.00	0.00
FR Mock Trial Chocolate Sales	0.00	0.00	0.00	0.00	0.00
FR Mock Trial Trivia Night	0.00	0.00	0.00	0.00	0.00
FR FCCLA Light Band Sales	0.00	0.00	0.00	0.00	0.00
FR Cheer Cookie Sales	0.00	0.00	0.00	0.00	0.00
FR Cheer Little Caesars Kit	0.00	3,259.00	(988.00)	2,271.00	0.00
FR Cheer Shirt Sales	0.00	0.00	0.00	0.00	0.00
FR Cheer Penny War	0.00	0.00	0.00	0.00	0.00
FR Cheer Car Waash	0.00	0.00	0.00	0.00	0.00
FR Cheer Parents Night Out	0.00	0.00	0.00	0.00	0.00
FR BPA Hat Day	0.00	0.00	0.00	0.00	0.00
FR BPA Bake Sale	0.00	0.00	0.00	0.00	0.00
TOTAL	<u>\$84,612.42</u>	<u>168,931.65</u>	<u>0.00</u>	<u>179,541.51</u>	<u>74,002.56</u>

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - STILLWATER MIDDLE SCHOOL
JULY 1, 2017 TO JUNE 30, 2018

	Balance <u>7/01/17</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	Balance <u>6/30/2018</u>
Clearing	\$0.00	0.00	0.00	0.00	0.00
Yearbook	14,243.53	11,917.42	2,815.73	20,851.66	8,125.02
Partners in Education	516.53	154.74	0.00	162.89	508.38
Facility Rental	668.09	1,615.00	0.00	1,180.03	1,103.06
Technology Student Association	2,256.63	750.00	990.75	2,707.94	1,289.44
Library	1,620.59	587.89	1,879.08	2,944.93	1,142.63
Indian Student Association	418.11	0.00	0.00	145.00	273.11
Alpha Team	341.81	110.00	(110.00)	0.00	341.81
Physical Education	67.43	0.00	0.00	0.00	67.43
Track & Field	0.00	0.00	0.00	0.00	0.00
Art Club	442.74	5,295.30	172.74	5,008.68	902.10
Student Council	4,114.71	7,090.46	0.00	2,026.69	9,178.48
Engineering	481.30	0.00	0.00	72.44	408.86
FR Yearbook Calendar Magnets	0.00	0.00	0.00	0.00	0.00
Gardens	2.20	0.00	(2.20)	0.00	0.00
Arete' Team	85.78	0.00	0.00	0.00	85.78
Special Events	5,753.55	6,890.93	110.00	10,034.97	2,719.51
Omega Team	20.79	1,185.50	0.00	1,004.15	202.14
SRO	2,563.41	0.00	0.00	2,563.41	0.00
Titans Team	407.53	1,039.00	0.00	1,067.74	378.79
After School Clubs	366.58	0.00	(33.58)	333.00	0.00
Guidance	175.99	275.00	0.00	211.00	239.99
Science Grant	973.93	0.00	2.20	0.00	976.13
Synergy Team	248.09	1,132.00	0.00	1,217.00	163.09
Fr TSA Popcorn Sales	0.00	1,728.75	(990.75)	738.00	0.00
Textbooks	514.06	320.93	0.00	834.99	0.00
Artisans Team	132.86	1,147.00	0.00	1,103.87	175.99
Agenda	4,190.86	5,152.25	0.00	3,461.30	5,881.81
Special Education	77.42	330.00	0.00	323.00	84.42
FR Art Club Art Raffle	0.00	0.00	0.00	0.00	0.00
Fr Yearbook Dance Photo Sales	0.00	0.00	0.00	0.00	0.00
FR TSA Craft Fair Concession	0.00	0.00	0.00	0.00	0.00
FR Sch WD Painting Party/I Sem	0.00	0.00	0.00	0.00	0.00
FR Sch WD Painting Party/II Sem	0.00	0.00	0.00	0.00	0.00
FR Stuco Kiss the Pig	0.00	0.00	0.00	0.00	0.00
FR Art Club Craft Show	0.00	0.00	0.00	0.00	0.00
FR Yearbook Scratch Card/I Sem	0.00	0.00	0.00	0.00	0.00
FR Lib Book Fair/I Sem	0.00	2,507.92	(1,001.06)	1,506.86	0.00
Vocal Music	2,326.68	3,013.00	0.00	3,096.21	2,243.47
FR Journalism Valentine Grams	0.00	424.45	(424.45)	0.00	0.00
FR Sch WD Car Show	0.00	0.00	0.00	0.00	0.00
FR Yearbook Signing Party Sale	0.00	0.00	0.00	0.00	0.00
FR Art Bowls Auctin & Receptn	0.00	0.00	0.00	0.00	0.00
Fr Library Book Fair/II Sem	0.00	2,032.60	(878.02)	1,154.58	0.00
FR Theatre Fall Ticket Sales	0.00	0.00	0.00	0.00	0.00
FR Theatre Spring Ticket Sales	0.00	0.00	0.00	0.00	0.00
FR Theatre Spring Musical Ticket Sales	0.00	0.00	0.00	0.00	0.00
FR TSA Popcorn Sales/II Sem	0.00	0.00	0.00	0.00	0.00
FR Library Basketball Tour	0.00	0.00	0.00	0.00	0.00
FR Journalism LTR Writing Camp	0.00	0.00	0.00	0.00	0.00
FR Journ Teacher Luncheon	0.00	0.00	0.00	0.00	0.00
FR Journ Snack Packs	0.00	2,017.91	(2,017.91)	0.00	0.00
FR Journ Holiday Grams	0.00	512.71	(373.37)	139.34	0.00
FR Journalism Family Portraits	0.00	0.00	0.00	0.00	0.00
FR Art Hat Day	0.00	139.16	(139.16)	0.00	0.00
FR Art Letter Writing Campaign	0.00	0.00	0.00	0.00	0.00
FR Art Jean Day	0.00	0.00	0.00	0.00	0.00
FR Art Penny War	0.00	0.00	0.00	0.00	0.00
TOTAL	<u>\$43,011.20</u>	<u>57,369.92</u>	<u>(0.00)</u>	<u>63,889.68</u>	<u>36,491.44</u>

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - SANGRE RIDGE ELEMENTARY SCHOOL
JULY 1, 2017 TO JUNE 30, 2018

	<u>Balance</u> <u>07/01/17</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>06/30/18</u>
Chorus	\$147.60	0.00	0.00	0.00	147.60
Facility Rental	6,040.80	1,000.00	917.29	7,958.09	0.00
Library	5,027.86	2,593.90	2,998.58	6,234.57	4,385.77
Miscellaneous	8,037.91	38,369.29	(917.29)	25,287.91	20,202.00
Courtesy Account	652.42	1,620.00	0.00	2,114.75	157.67
Physical Education	189.10	0.00	0.00	0.00	189.10
Student Supplies	2,646.97	21,316.10	0.00	23,896.67	66.40
Summer School	40.00	0.00	0.00	40.00	0.00
Special Events	512.81	35.78	0.00	379.84	168.75
FR Sch WD Book Fair	0.00	13,788.12	(2,998.58)	10,789.54	0.00
FR Library Book Fair/II Sem	0.00	0.00	0.00	0.00	0.00
TOTAL	<u><u>\$23,295.47</u></u>	<u><u>78,723.19</u></u>	<u><u>0.00</u></u>	<u><u>76,701.37</u></u>	<u><u>25,317.29</u></u>

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - TRANSPORTATION
JULY 1, 2017 TO JUNE 30, 2018

	<u>Balance</u> <u>7/1/2017</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>6/30/2018</u>
Special Events	<u>\$10,582.61</u>	<u>6,925.80</u>	<u>0.00</u>	<u>9,982.03</u>	<u>7,526.38</u>
TOTAL	<u><u>\$10,582.61</u></u>	<u><u>6,925.80</u></u>	<u><u>0.00</u></u>	<u><u>9,982.03</u></u>	<u><u>7,526.38</u></u>

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - WESTWOOD ELEMENTARY SCHOOL
JULY 1, 2017 TO JUNE 30, 2018

	<u>Balance</u> <u>07/01/17</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>06/30/18</u>
Field Trips	\$1.00	0.00	0.00	0.00	1.00
Facility Rental	12,497.88	18,394.16	0.00	27,353.45	3,538.59
Library	10,634.43	2,989.38	4,822.99	8,199.06	10,247.74
Donations	939.48	2,629.88	0.00	0.00	3,569.36
PTA Donations	227.12	0.00	0.00	0.00	227.12
Student Supplies	6,891.06	21,021.37	0.00	23,988.83	3,923.60
Foreign Language - Chinese	68.28	0.00	0.00	0.00	68.28
Summer School	3,641.18	0.00	0.00	3,641.18	0.00
Special Events	5,263.69	36,438.89	0.00	34,137.65	7,564.93
FR Library Book Fair	0.00	12,800.19	(4,822.99)	7,977.20	0.00
Excel	713.23	0.00	0.00	0.00	713.23
	<u>713.23</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>713.23</u>
TOTAL	<u>\$40,877.35</u>	<u>94,273.87</u>	<u>0.00</u>	<u>105,297.37</u>	<u>29,853.85</u>

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

**STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - WILL ROGERS ELEMENTARY SCHOOL
JULY 1, 2017 TO JUNE 30, 2018**

	<u>Balance</u> <u>7/1/2017</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>6/30/2018</u>
Facility Rental	\$5,262.59	6,906.97	0.00	8,453.10	3,716.46
Field Trips	75.00	31.00	0.00	0.00	106.00
Will Rogers Walking Trail	30.00	835.00	0.00	688.25	176.75
Library	1,149.71	1,023.81	0.00	337.30	1,836.22
Curriculum	3,590.97	2,716.00	0.00	2,143.27	4,163.70
PTA Donations	338.91	0.00	0.00	0.00	338.91
Student Supplies	2,351.07	29,217.19	0.00	16,647.77	14,920.49
Yearbook	217.00	1,745.00	0.00	1,736.20	225.80
Student Store	231.77	1,539.50	0.00	627.22	1,144.05
Special Events	3,470.18	1,553.30	0.00	4,115.81	907.67
Summer School	0.00	0.00	0.00	0.00	0.00
Cultural Nights	1,221.16	0.00	0.00	458.14	763.02
Professional Development	0.00	0.00	0.00	0.00	0.00
TOTAL	<u><u>\$17,938.36</u></u>	<u><u>45,567.77</u></u>	<u><u>0.00</u></u>	<u><u>35,207.06</u></u>	<u><u>28,299.07</u></u>

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

STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2018

	Project Code	Federal CFDA Number	Program or Award Amount	Cash/ Beginning Balance at July 1, 2017	Federal Receipts	Federal Expenditures Direct Costs	Indirect Costs	Cash/ Ending Balance at June 30, 2018
Direct Funding:								
Title IX Indian Education	561	84.060	\$132,624.00		132,624.00	132,624.00		0.00
Sub-total			132,624.00	0.00	132,624.00	132,624.00	0.00	0.00
U.S. Department of Education:								
Passed through the Department of Education:								
Title I	511	84.010	1,097,325.58		1,015,583.20	1,037,505.42		(21,922.22)
Title I - Prior Year	799	84.010		(30,979.84)	30,979.84			0.00
Title I - Neglected	518	84.010	5,766.16		1,350.00	1,350.00		0.00
Title I Cluster			1,103,091.74	(30,979.84)	1,047,913.04	1,038,855.42	0.00	(21,922.22)
Title II, Part A	541	84.367	238,959.73		66,258.84	176,027.27		(109,768.43)
Title II, Part A - Prior Year	799	84.367		(46,316.85)	46,316.85			0.00
Title II Cluster			238,959.73	(46,316.85)	112,575.69	176,027.27	0.00	(109,768.43)
Title III, Emergency Immigrant	571	84.365	34,340.78		15,895.31	16,094.07		(198.76)
Title III, English Language Acq	572	84.365	33,969.37		19,941.70	25,018.56		(5,076.86)
Title III, English Language Acq - Prior Year	799	84.365		(199.86)	199.86			0.00
Title III Cluster			68,310.15	(199.86)	36,036.87	41,112.63	0.00	(5,275.62)
Title VI, Part B	799	84.358	108,202.32		62,385.42	62,385.42		0.00
Title VI Cluster			108,202.32	0.00	62,385.42	62,385.42	0.00	0.00
IDEA-B Discretionary	613	84.010	245.00		245.00	245.00		0.00
IDEA-B Discretionary	799	84.010		(293.51)	293.51			0.00
IDEA-B Monitoring Assistance	615	84.010	13,766.00		9,717.76	10,080.79		(363.03)
IDEA-B Flow Through	621	84.027	1,206,391.76		1,057,488.03	1,085,244.06		(27,756.03)
IDEA-B Flow Through - Prior Year	799	84.027		(29,942.17)	29,942.17			0.00
IDEA-B Flow Through - Private	625	84.027	7,316.20		6,203.95	6,203.95		0.00
IDEA-B Tier I High Needs	626	84.027	138,813.34		115,439.77	138,537.69		(23,097.92)
IDEA-B Tier I High Needs - Prior Year	799	84.027		(21,608.20)	21,608.20			0.00
IDEA-B Pre-School	641	84.173	29,680.70		29,680.70	29,680.70		0.00
Special Education Cluster			1,396,213.00	(51,843.88)	1,270,619.09	1,269,992.19	0.00	(51,216.98)
Passed through Oklahoma State Department of Vocational Technical Training								
Carl Perkins - Secondary	424	84.048	25,000.00		22,037.04	24,040.41		(2,003.37)
Carl Perkins - Secondary - Prior Year	799	84.048		(1,247.50)	1,247.50			0.00
Rehabilitation	456	84.126	1,248.83		1,248.83	1,248.83		0.00
Sub-total			26,248.83	(1,247.50)	24,533.37	25,289.24	0.00	(2,003.37)
U.S. Department of Agriculture:								
Passed Through the State Department of Education								
Food Service Programs - Lunches	763	10.555			1,239,221.37	884,157.42		355,063.95
Food Service Programs - Breakfasts	764	10.553			587,498.01	573,014.66		14,483.35
Food Service Programs - Summer Food	766	10.559			40,720.73	53,044.13		(12,323.40)
Food Service Programs - Summer Food - Prior Year	799	10.559		(21,814.07)	21,814.07			0.00
USDA Donated Food	385	10.550	209,292.20		209,292.20	209,292.20		0.00
Child Nutrition Cluster			209,292.20	(21,814.07)	2,098,546.38	1,719,508.41	0.00	357,223.90
Total Federal Assistance			\$3,282,941.97	(152,402.00)	4,785,233.86	4,465,794.58	0.00	167,037.28

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

Note D: Both Federal and Non-Federal expenditures were included in coding for the following programs:

Project	Local Expenditures	Federal Expenditures
456	\$332.19	\$1,248.83

Note E: The District did not receive any Federal awards that were passed through to subrecipients.

Note F: The District did not elect to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance.

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

**STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
SCHEDULE OF STATUTORY, FIDELITY, AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2018**

Dr. Marc Moore –Superintendent

Employee Dishonesty Bond
Western Surety Company – Policy No. 62792142
\$100,000.00 Limit
Effective July 1, 2017 to June 30, 2018

Phillip Storm – Treasurer

Employee Dishonesty Bond
Western Surety Company - Policy No. 15534670
\$100,000.00 Limit
Effective: July 1, 2017 to June 30, 2018

Position Bonds
(Including but not limited to Encumbrance Clerk, Activity Fund Custodian, Cafeteria Managers)
Old Republic Surety Company – Policy No. POB1051244
\$5,000.00 Limit
Effective: October 3, 2017 to October 3, 2018

Annette Jones – Minutes Clerk

Old Republic Surety Company – Policy No. LPO913141
\$5,000.00 Limit
Effective October 1, 2017 to October 1, 2018

INTERNAL CONTROL AND COMPLIANCE REPORTS

PUTNAM & COMPANY, PLLC
Certified Public Accountants
169 E. 32ND
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 24, 2018

The Honorable Board of Education
Stillwater School District No. 16
Payne 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 Stillwater School District No. 16, Payne County, Oklahoma as listed in the Table of Contents, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 24, 2018, 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. 32ND
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 24, 2018

The Honorable Board of Education
Stillwater School District No. 16
Payne County, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Stillwater School District No. 16, Payne 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, 2018. 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, 2018.

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

**STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

Stillwater School District No. 16
Payne County, Oklahoma

Schedule of Accountants' Professional Liability Insurance Affidavit
For the Year Ending June 30, 2018

STATE OF OKLAHOMA)
) ss
County of Oklahoma)

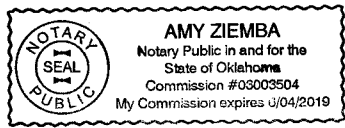
The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in Accordance with the "Oklahoma Public School Audit law" at the time of audit contract and during the entire audit engagement with Stillwater School District No. 16 for the audit year 2017-2018.

Putnam & Company, PLLC

Putnam CPA

Subscribed and sworn to before me on this 24th day of October, 2018.
My commission expires on 4th day of June, 2019.

A. Ziemba
Notary Public
Commission No. 03003504



MANAGEMENT LETTER AND COMMENTS

PUTNAM & COMPANY, PLLC
Certified Public Accountants
169 E. 32ND
Edmond, Oklahoma 73013
(405) 348-3800
Fax (405) 348-3846

October 24, 2018

The Honorable Board of Education
Stillwater School District No. 16
Payne County, Oklahoma

We have audited financial statements of Stillwater School District No. 16, Payne County, Oklahoma, as of and for the year ended June 30, 2018, as listed in the table of contents, and have issued our report thereon dated October 24, 2018. 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 24, 2018 on the financial statements of Stillwater School District No. 16.

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

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

Sincerely,



Jerry W. Putnam, CPA
Putnam & Company, PLLC

**STILLWATER SCHOOL DISTRICT NO. 16
PAYNE COUNTY, OKLAHOMA
MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

PRIOR YEAR'S COMMENTS AND RECOMMENDATIONS:

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

CURRENT YEAR'S COMMENTS AND RECOMMENDATIONS:

REVIEW OF PURCHASE ORDERS AND PAYMENTS—APPROPRIATED FUNDS

Our review of the purchase orders indicated that in almost every instance the purchase orders were properly approved and supported with adequate documentation. We noted only one instance where we felt the documentation was somewhat incomplete. We also noted a few instances where the accompanying documentation was not initialed or signed to verify the actual receipt of the goods or services purchased.

REVIEW OF ACTIVITY FUND TRANSACTIONS

During our review of the Activity Fund transactions we noted that the transactions were generally well documented. However, we noted the following items within in our samples:

- A few invoices were dated prior to their accompanying purchase orders
- Sales tax was paid in two instances (although the District is exempt)
- The accompanying documentation was slightly incomplete in a few instances
- A few purchase orders were not available for review
- A cash prize was provided in one instance

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.

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

AUDIT ACKNOWLEDGMENT

Stillwater School District, Number I-16
Payne County, Oklahoma
For The Fiscal Year Audited 2017-18

The annual independent audit for the Stillwater Public School District, was presented to the Board of Education in an Open Board Meeting on December 11, 2018, by

Putnam & Company, PLLC
Independent Auditor

JW Putnam CPA
Auditor's Signature

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

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

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

[Signature]
Superintendent of Schools

[Signature]
Board of Education Vice President

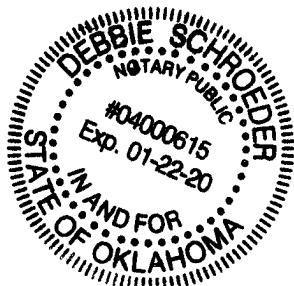
[Signature]
Board of Education President

Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member



Subscribed and sworn to before me on this 11th day of December, 2018.

My commission expires on 22nd day of January, 2020.

Notary Public Debbie Schroeder

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