

**JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5
TULSA COUNTY, OKLAHOMA**

**FINANCIAL STATEMENTS
AND REPORTS OF INDEPENDENT AUDITORS**

JUNE 30, 2018



Audited by

**SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

BROKEN ARROW, OK

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5
TULSA COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2018

BOARD OF EDUCATION

President

Ron Barber

Vice-President

Chuck Forbes

Members

Tracy Kennedy

Terry Keeling

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Kim Bourke

SUPERINTENDENT OF SCHOOLS

Dr. Stacey Butterfield

**CHIEF FINANCIAL OFFICER/
TREASURER**

Cody Way

www.jenksps.org

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5
TULSA COUNTY, OKLAHOMA
JUNE 30, 2018

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TULSA COUNTY, OKLAHOMA
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SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Jenks School District Number I-5
Jenks, Tulsa County, Oklahoma

Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of the Jenks School District Number I-5, Jenks, Tulsa County, Oklahoma (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education to meet financial reporting requirements of the State of 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As discussed in Note 1, the financial statements are prepared by the District, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determined, are presumed to be material.

Adverse Opinion on 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, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balance arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2018, and the revenues collected and expenditures paid and encumbered for the year then ended on the regulatory basis of accounting described in Note 1.

Other Matters

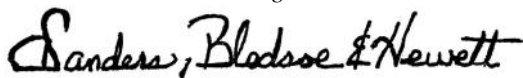
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The combining statements – regulatory basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *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 schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and 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 schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The management’s discussion and analysis and the budgetary comparison information on pages 3 through 6 and 32 through 36, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Other Reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2019 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and 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.



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

January 8, 2019

**Independent School District No. 5 Tulsa County, Oklahoma
Jenks Public Schools**

**Management's Discussion and Analysis
Fiscal Year Ending June 30, 2018**

Jenks Public Schools provides this discussion and analysis of the District's financial activities for fiscal year (FY) ending June 30, 2018. The intent of this narrative overview is to look at the District's financial performance as a whole. Readers are encouraged to consider the notes to the basic financial statements to enhance their understanding of Jenks Schools' financial performance. This is the 15th year the District has prepared financial statements following Governmental Accounting Standards Board (GASB) Statement No. 34 presentation.

Fund Financial Statements

This annual report consists of a series of financial statements. The governmental-wide statements include the Statement of Net Assets and Statement of Activities, which provide information about the activities of the entire District, presenting both an aggregate view of the District's finances and a long-term view of those finances. The District uses many funds to account for a multitude of financial transactions. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The fund financial statements focus on the individual segments of the District's operations in more detail than government-wide financial statements. Because the focus of District funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for District funds with similar information presented for District activities in the government-wide financial statement. Both the District's fund balance statement and the District's fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between funds and activities of each.

Funds are classified into three categories: governmental, proprietary, and fiduciary with each category divided into separate "fund types." Governmental funds include General Fund, Building Fund, Child Nutrition Fund, Sinking Fund, and Bond Fund. The District did not operate any proprietary funds, which use the same basis of accounting as "business-type" activities in the private sector. 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, and include, but are not limited to, PTAG (Parent/Teacher Association Group), Booster Clubs, Arbitrage, Workers Compensation, School Student Activity Groups, and Community Education.

General Fund Highlights

The General Fund is the largest single governmental fund and comprises **69%** of the total District revenue. This fund represents a majority of the District's day-to-day operational expenses. At the close of FY 2018, the District reported positive cash balances in all funds with the General Fund balance being **\$6,773,300** which is a percentage balance of **8.53%** of revenue received for this fund. Per-pupil revenue collections were still below the 2007-08 funding level from the State of Oklahoma. Oklahoma's structural budget issues continued to place school districts in difficult financial positions. Jenks Public Schools Board of Education and Administration have worked diligently to enhance and protect the fund balance reserves in order to address future revenue reductions. In 2010, the Board of Education designated **8%** as the District's fund balance goal. To plan for the opening of a new elementary school for the first time in 25 years and to deal with ongoing state budget issues, the District implemented approximately **\$6 million** in adjustments to the General Fund during the prior three years. After the adjustments were implemented, the District was able to meet its fund balance objective.

Fund Balances

As of the close of FY 2018, the District reported a governmental-wide ending cash fund balance of **\$56,182,268**, reflecting a decrease of **\$2,241,901 or 3.84%** in comparison with the prior year. The General Fund's ending balance decreased by **\$1,048,741** due to increased costs to deal with the district's increasing enrollment, the opening of multiple facilities, and declining state per-pupil collections. Individual fund balances for the Building, Child Nutrition, and Sinking Funds decreased in comparison with the prior year. The District's Bond Funds represented the largest cash fund balance increase with a growth of **\$1,023,966**.

Fund Type	2017 Fund Balance	2018 Fund Balance	Variance	Percent
General	\$7,822,041	\$6,773,300	-\$1,048,741	-13.41%
Building	\$592,080	\$403,976	-\$188,104	-31.77%
Child Nutrition	\$1,318,749	\$1,035,042	-\$283,707	-21.52%
Sinking	\$15,729,247	\$13,931,671	-\$1,797,575	-11.43%
Bond	\$32,926,536	\$33,950,502	\$1,023,966	3.11%
Other	\$35,516	\$87,776	\$52,260	14.72%
Total	\$58,424,169	\$56,182,268	-\$2,241,901	-3.84%

Fiscal Year 2017 – 2018 Summary

General Fund revenue collections for the fiscal year ending June 30, 2018, totaled **\$79,102,149**, reflecting a net gain of **\$3,777,682** from the original estimated General Fund revenue projections of **\$75,324,467** approved and adopted by the Board of Education in June 2017. The increase in revenue was a result of growth in the net assessed property valuation within the District and increases in the state dedicated collections and state aid revenue due to student enrollment growth. District General Fund operating expenses totaled **\$80,439,815**, which was an increase of **\$4,829,634** over the initial adopted budget of **\$75,610,181**. This included salary increases, purchases for classroom supplies and equipment, increased operational expenses with the newly opened facilities, and additional positions to address the needs of the District's increasing student enrollment.

The internal controls, policies, and procedures relating to the financial operations of the District remained strong. The 2017-18 audit reflects an unqualified opinion issued on the financial statements. The audit discloses no reportable conditions in the internal controls. The audit notes no reportable instance of noncompliance will be reported in accordance with GAGAS. The audit discloses no reportable conditions in the internal controls over major federal programs. An unqualified opinion was issued on the compliance of major programs. The audit discloses no findings which would require to be reported under OMB Circular A-133 section 510(a). (See page 52 of audit under the summary of audit results.)

Long Term Debt

General Obligation Bonds: As of June 30, 2018, the District had **\$90,070,000** in outstanding bonds and notes compared to **\$85,850,000** on June 30, 2017. During FY 2017-18, the District retired **\$24,310,000** in bonds and/or notes and added **\$28,530,000** in long-term debt.

<u>Fiscal Year</u>	<u>Bonds Issued</u>	<u>Outstanding</u>	<u>Final Payment</u>
2014 Series	\$25,000,000	\$6,250,000	6-01-19
2015 Series	\$23,680,000	\$11,880,000	6-01-20
2016 Series	\$24,990,000	\$18,750,000	6-01-21
2017 Series	\$24,660,000	\$24,660,000	6-01-22
2018 Series	\$28,530,000	\$28,530,000	6-01-23
Total	\$126,860,000	\$90,070,000	

Interest paid on general long-term debt during the fiscal year ending June 30, 2018, totaled **\$2,025,250**.

Lease Revenue Bonds: Initially, the Tulsa County Industrial Authority issued **\$104,420,000** of Educational Facilities Lease Revenue Bonds for Jenks Public Schools to provide funds required for the constructing, equipping, repairing and remodeling of school buildings, acquiring school furniture, fixtures, and equipment, acquiring and improving school sites for the benefit of Jenks Public Schools. On July 1, 2009, the District, as

lessor, entered into a ground lease agreement for certain district property, with the Tulsa County Industrial Authority. In addition, the District entered into a sublease, as lessee, with the Tulsa County Industrial Authority. The sublease called for eleven (11) annual payments with the initial payment made on September 11, 2010. These acquisition payments will be made out of General Obligation bond funds, pursuant to the issuance of series bonds in the amount of **\$153,430,000**, voted on and approved by the patrons of Jenks Public Schools on December 9, 2008. Jenks Public Schools will gain ownership to the capital improvements incrementally as each payment is made.

As of June 30, 2017, all projects associated with the 2009 Lease Revenue Bond have been completed with a total cost of construction of **\$106,135,259**.

On February 10, 2015, voters approved another Educational Facilities Lease Revenue Bond in the amount of **\$83,725,000**. Proceeds associated with this bond were received during FY 2015-16. Construction projects completed during 2017-18 were Northwest Elementary, West Intermediate Expansion, East Intermediate Drive Expansion, Central Dining Hall, High School Stadium Classroom and Press Box Renovation, Middle School Athletic Field, and High School Renovation Phases II and III.

Capital and Fixed Assets

The District is in its 15th year of tracking all assets of significant value. The District's fixed asset inventory process requires equipment, furniture and fixtures, new construction and remodeled buildings and land be updated annually with inventory software monitored through the Purchasing and Warehouse Departments. Building structures and improvements are added to the inventory as projects are completed and space is occupied. For the year ending June 30, 2018, capital assets are as follows:

	<u>Beginning</u>	<u>Increases/Decreases</u>	<u>Ending</u>
Capital Assets	\$321,926,048	\$71,051,464	\$392,977,512
Depreciation	(71,385,810)	(10,540,420)	(81,926,230)
Total Capital Assets	\$250,540,238	\$60,511,044	\$311,051,282

2018-19 Fiscal Year Forecast

The Oklahoma state legislature provided the first tax increase in 28 years. It was also the largest tax increase in state history while providing funding for the largest-ever teacher pay increase. Common Education's appropriation grew by an additional \$480 million which included salary increases for certified and support personnel along with additional funding for health insurance and instructional materials. With a growing statewide student population, increased operational funding to reduce class size will continue to be a request to our state leaders. Current statewide collections are above prior year levels. This will certainly give the legislature additional funding to craft the FY 2019-20 budget. **Another positive trend is the local net assessed valuation (NAV) increased at a rate of 3.43%.** Residential housing starts and commercial development continue within the Jenks Public School District, and student growth increased by approximately 336 students for FY 2017-18 and by 180 students for FY 2018-19. Even with these challenges of growing enrollment, the District is still projecting an ending cash fund balance of over 8%.

While future state revenue collections look to possibly have stabilized, the patrons of Jenks Public Schools are very supportive of the District's efforts to pass annual bond issues for needs such as classroom space, District-wide technology, remodeling and maintenance on existing facilities, district-wide equipment, school safety, as well as library books and textbooks for classrooms.

As we move through FY 2018-19, Jenks Public Schools will likely continue to face financial challenges. The District's Board of Education has placed a very high priority on maintaining the District's fund balance at a fiscally responsible level. Therefore, the General operating budget is continuously monitored to ensure complete alignment of expenses with available revenue. The budget is amended once the District has received the following information:

1. An accurate District "Net Assessed Valuation" certified by the Board of Equalization
2. Certified and audited prior year actual collected revenues
3. Final Federal grant award notifications for FY 2018-19 programs
4. Any increased State dedicated revenues

5. October child count conducted by the State regional accreditation officer assigned to our District
6. Any increase in Flexible Benefit Allowance funding from the State to pass on to employees who elect to participate in the insurance benefits program
7. Notification of the District's mid-year adjusted State Aid allocation funding
8. Potential actions taken by the Board of Education to increase the General Fund expenditure budget in the form of salary increases, new positions, and programs

In closing, JPS has the full support of staff members, patrons, parent booster clubs, PTA/PTAGs, the Jenks Public Schools Foundation and business partnerships that assist the District through fundraisers, the passage of bond issues, and generous donations. The Board of Education and Administration feel extremely confident and take pride in the fact that the District is financially positioned to operate successfully and maintain the high standards set forth by our staff and patrons.

Upcoming Oklahoma Legislative Action

Although much progress was made during last Spring's legislative session with the passage of several measures to stabilize funding and provide salary increases for staff members, especially teachers. Unfortunately, the financial decisions of past years' Oklahoma legislative sessions continue to challenge all Oklahoma school districts. With growing enrollment statewide, along with a teacher shortage, class sizes will continue to increase without sufficient operational funding to school districts. It is imperative for the legislature to search for solutions to increase revenue to fund the State's core responsibilities.

Jenks Public Schools' lobbying efforts for this year's legislative session will specifically focus on legislation that identifies a long term plan to increase funding for operational expenditures. We will support initiatives that continue to improve teacher pay to help address the statewide teacher shortage and reduce class sizes. The state board of equalization has predicted that the legislature will have an additional \$612 million in funding to craft the state's budget for FY 2019-20. It is vital that our elected officials make our students a priority when making funding decisions.

District Cash Management Program

The District's cash management program involves such factors as legal authorizations from the Board of Education, liquidity requirements or cash flow needs, and interest rate trends. The District is required to invest all available monies in interest-bearing accounts or investment instruments that are authorized under State Statutes. These accounts must be fully protected through FDIC insurance and/or pledged collateral from the participating institution. The District uses a "pooled resources" concept, pooling together all the separate funds, for purchasing investments to take advantage of the higher interest rates available when investing larger amounts of money.

By Oklahoma statute, school districts can only invest in instruments backed by the full faith and credit of the federal government. Interest earned from the district's investment practices continues to be a General Fund revenue stream. However, current market conditions have taken its toll on interesting earnings. In FY 2008-09, the District receipted **\$2,176,000** in interest earnings, as compared to the FY 2016-17 total return on investments of **\$377,095**. Interest earnings did increase for FY 2017-18 as rates increased on District deposits. The District earned **\$600,592** in interest for FY 2017-18, an increase of **\$223,497** from the prior year. JPS will continue to utilize investment strategies and best practices to maximize the return on our investments even in today's recovering market.

Contacting the School District's Financial Management

This financial report is designed to provide patrons, taxpayers, and creditors with a general overview of the Jenks School District's finances and to show the District's accountability for the public funding it receives. If you have further questions or comments about this report or need additional financial information, please contact the Finance and Business Services Department at Jenks Public Schools, 205 East B Street, Jenks, Oklahoma 74037. We can be reached by phone at (918) 299-4415, extension 2463.



Cody Way
Chief Financial Officer
Jenks Public School

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Prior Year (Memorandum Only)
<u>ASSETS</u>		
Current assets:		
Cash	\$ 6,848,234	7,967,408
Investments	58,432,610	59,179,599
Total current assets	<u>65,280,844</u>	<u>67,147,007</u>
Non-current assets:		
Capital assets, net of accumulated depreciation	<u>311,051,282</u>	<u>250,540,238</u>
TOTAL ASSETS	<u><u>\$ 376,332,126</u></u>	<u><u>317,687,245</u></u>
 <u>LIABILITIES</u>		
Current liabilities:		
Warrants payable	\$ 1,581,011	2,073,826
Encumbrances	7,517,565	6,649,012
Total current liabilities	<u>9,098,576</u>	<u>8,722,838</u>
Non-current liabilities:		
General obligation bonds payable	90,070,000	85,850,000
Capital Leases	0	734,220
Total non-current liabilities	<u>90,070,000</u>	<u>86,584,220</u>
Total Liabilities	<u>99,168,576</u>	<u>95,307,058</u>
 <u>NET POSITION</u>		
Invested in capital assets, net of related debt	220,981,282	163,956,018
Restricted for debt service	12,474,254	12,355,983
Restricted for other funds	35,477,296	34,872,881
Unassigned	<u>8,230,717</u>	<u>11,195,305</u>
Total Net Position	<u>277,163,550</u>	<u>222,380,187</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 376,332,126</u></u>	<u><u>317,687,246</u></u>

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>TOTAL</u>
Instruction	\$ 49,347,397		2,698,295	(46,649,102)
Support services	40,551,202	3,340,986	925,017	(36,285,200)
Non-instruction services	8,108,329	1,967,031	2,346,783	(3,794,515)
Facilities acquisition and construction services	18,994,637			(18,994,637)
Other outlays	609,684		288,944	(320,740)
Interest paid on long-term debt	2,025,250			(2,025,250)
Depreciation - unallocated	12,317,663			(12,317,663)
Total governmental activities	<u>131,954,163</u>	<u>5,308,017</u>	<u>6,259,039</u>	<u>(120,387,107)</u>

General revenues-

Taxes-

Property taxes, levied for general purposes 33,325,019

Property taxes, levied for debt services 24,523,107

Investment earnings 628,631

Other local revenue 3,190,672

County revenue 3,124,016

State aid - formula grants 30,662,672

Dedicated state revenue 6,361,589

Special items-

Change in capital assets 73,226,528

Adjustments to prior year encumbrances 128,236

Total general revenues and special items 175,170,470

Change in net position 54,783,363

Net position, beginning of period 222,380,187

Net position, end of period \$ 277,163,550

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF ASSETS, LIABILITIES AND CASH FUND BALANCES -
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Building Fund	Child Nutrition Fund	Sinking Fund	Bond Funds	Other Governmental Funds	TOTAL
<u>ASSETS</u>							
Cash	\$ 2,458,496	675,819	1,120,512	50	2,150,519	5,090,591	11,495,988
Investments	12,510,859			13,931,621	31,990,130		58,432,610
Total Assets	<u>\$ 14,969,355</u>	<u>675,819</u>	<u>1,120,512</u>	<u>13,931,671</u>	<u>34,140,649</u>	<u>5,090,591</u>	<u>69,928,598</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Warrants payable	\$ 979,669	19,634	36,500		190,147	355,061	1,581,011
Encumbrances	7,216,387	252,209	48,970				7,517,565
Funds held for school operations						4,647,754	4,647,754
Total Liabilities	<u>8,196,055</u>	<u>271,843</u>	<u>85,470</u>	<u>0</u>	<u>190,147</u>	<u>5,002,815</u>	<u>13,746,331</u>
Fund Balances:							
Ristricted for-							
Retirement of long-term debt				12,474,254			12,474,254
Other funds		403,976	1,035,042		33,950,502	87,776	35,477,296
Unassigned							
Unassigned, reported in-							
General fund	6,773,300						6,773,300
Sinking fund				1,457,417			1,457,417
Total Fund Balances	<u>6,773,300</u>	<u>403,976</u>	<u>1,035,042</u>	<u>13,931,671</u>	<u>33,950,502</u>	<u>87,776</u>	<u>56,182,268</u>
Total Liabilities and Fund Balances	<u>\$ 14,969,355</u>	<u>675,819</u>	<u>1,120,512</u>	<u>13,931,671</u>	<u>34,140,649</u>	<u>5,090,591</u>	
Amounts reported for governmental activities in the statement of assets, liabilities, and net position are different because:							
Capital assets used in governmental activities are not financial resources and therefore,							
are not reported as assets in governmental funds. The cost of the assets is \$392,977,512.43							
and the accumulated depreciation is (\$81,926,230.48)							
							311,051,282
Long-term liabilities, including bonds payable, are not due and payable in the current period and							
therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:							
General obligation bonds payable							
							<u>(90,070,000)</u>
Net Position of Governmental Activities							<u>\$ 277,163,550</u>

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Building Fund	Child Nutrition Fund	Sinking Fund	Bond Funds	Other Governmental Funds	TOTAL
Revenues Collected:							
Taxes	\$ 29,169,877	4,155,143		24,523,107			57,848,126
Local sources	2,010,773	8,130	1,967,031		2,382	1,169,386	5,157,703
Intermediate sources	3,124,016						3,124,016
State sources	36,980,587		43,674				37,024,262
Federal sources	3,912,305		2,346,734				6,259,039
Interest earnings	600,592	2,479	10,840	14,568		153	628,631
Non revenue receipts	3,303,999	30,000	5,294		1,693		3,340,986
Total revenues collected	<u>79,102,149</u>	<u>4,195,752</u>	<u>4,373,573</u>	<u>24,537,675</u>	<u>4,075</u>	<u>1,169,539</u>	<u>113,382,762</u>
Expenditures:							
Instruction	48,280,974	453			592,180	473,790	49,347,397
Support services	28,768,130	4,271,670			7,168,564	342,838	40,551,202
Operation of non-instructional services	3,289,938	71,200	4,657,655		89,536		8,108,329
Facilities acquisition and construction services:		10,630			19,663,245		19,673,875
Other outlays:							
Debt service requirements				26,335,250			26,335,250
Reimbursement			4,002				4,002
Private nonprofit schools	93,530						93,530
Correcting entry	7,243	30,000	1,794		1,692		40,729
Other uses			1,052			127,533	128,585
Total expenditures	<u>80,439,815</u>	<u>4,383,953</u>	<u>4,664,502</u>	<u>26,335,250</u>	<u>27,515,218</u>	<u>944,161</u>	<u>144,282,899</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(1,337,666)	(188,202)	(290,929)	(1,797,575)	(27,511,143)	225,378	(30,900,137)
Other financing sources (uses):							
Adjustments to prior year encumbrances	115,807	98	7,222		5,110		128,236
Transfers in (out)	173,118					(173,118)	0
Proceeds from sale of bonds					28,530,000		28,530,000
Total other financing sources (uses)	<u>288,924</u>	<u>98</u>	<u>7,222</u>	<u>0</u>	<u>28,535,110</u>	<u>(173,118)</u>	<u>28,658,236</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing uses	(1,048,741)	(188,104)	(283,707)	(1,797,575)	1,023,966	52,261	(2,241,901)
Cash fund balances, beginning of year	<u>7,822,041</u>	<u>592,080</u>	<u>1,318,749</u>	<u>15,729,247</u>	<u>32,926,536</u>	<u>35,516</u>	<u>58,424,169</u>
Cash fund balances, end of year	<u>\$ 6,773,300</u>	<u>403,976</u>	<u>1,035,042</u>	<u>13,931,671</u>	<u>33,950,502</u>	<u>87,776</u>	<u>56,182,268</u>

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net change in fund balances - governmental funds \$ (2,241,901)

Amounts reported for governmental activities in the statement of revenues, expenditures, and changes in net position are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures.

However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expenses in the statement of revenues, expenditures, and changes in net assets. This is the amount by which depreciation exceeds capital outlays in the period.

Net Capital outlay expenditures	72,983,463	
Depreciation expense	(12,317,663)	
Adjustment to beginning balance of capital assets (net of accumulated depreciation) for assets purchased prior period	579,465	61,245,265

Some of the capital assets acquired this year were financed with general obligation bonds. The amount financed by the bonds is reported in the governmental funds as a source of financing. On the other hand, the proceeds from the bonds are not revenues in the statement of revenues, expenditures, and changes in net assets but rather constitute long-term liabilities in the statement of assets, liabilities, and net position.

(28,530,000)

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of assets, liabilities, and net assets and does not affect the statement of revenues, expenditures, and changes in net position.

24,310,000

Changes in net position of governmental activities

\$ 54,783,363

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF FIDUCIARY NET POSITION -
REGULATORY BASIS
JUNE 30, 2018

	<u>AGENCY FUNDS</u> <u>SCHOOL</u> <u>ACTIVITY</u> <u>FUNDS</u>
<u>ASSETS</u>	
Cash	\$ 4,647,754
Total Assets	<u>\$ 4,647,754</u>
<u>LIABILITIES AND NET POSITION</u>	
Liabilities:	
Funds held for school organizations:	
Student activity funds	\$ 3,038,452
Community education programs	<u>1,609,302</u>
Total Liabilities and Net Position	<u>\$ 4,647,754</u>

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Jenks Public Schools Independent District, No. I-5 (the “District”), have been prepared in conformity with another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education as authorized by Oklahoma Statutes. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with the accounting principles generally accepted in the United States of America. The District’s accounting policies are described in the following notes that are an integral part of the District’s financial statements.

A. Reporting Entity

The District is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the District is the Board of Education composed of five elected members. The appointed superintendent is the executive officer of the District. The Board, constituting an on-going entity, is the level of government, which has governance responsibilities over all activities, related to public elementary and secondary school education within the jurisdiction of the local independent school district. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

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

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

A. Reporting Entity – cont’d

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. Measurement Focus

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports the District’s financial and capital resources. Liabilities are segregated between current (due within one year) and long-term.

The statement of activities demonstrates the degree to which the direct expenses of a given functions or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) tuition or fees paid by students or citizens of the District and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items, including state aid, that are not properly included among program revenues are reported as general revenues.

Funds are classified into three categories: Governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.”

Governmental Fund Types

Governmental funds are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

General Fund – The general fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus - cont’d

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 Funds – Special revenue funds include the District’s building and co-op funds. For statutory reporting purposes, the child nutrition fund is classified as a special revenue fund in the other supplementary information, but is otherwise defined as a proprietary fund type.

Building Fund – The building fund consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.

Co-op Fund - The co-op fund is established when the boards of education of two or more school districts enter into cooperative agreements and maintain joint programs. The revenues necessary to operate a cooperative program can come from federal, state, or local sources, including the individual contributions of participating school districts. The expenditures for this fund would consist of those necessary to operate and maintain the joint programs.

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 (including judgments) 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 funds and are 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.

Proprietary Fund Types

Proprietary funds are used to account for “business-type” activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus - cont’d

financial administration. Goods or services from such activities can be provided either to outside parties or to other departments or agencies primarily within the District. The District maintained the child nutrition fund as a proprietary fund in the 2016-17 fiscal year, but classified the child nutrition fund as a special revenue fund in the other supplementary information for statutory reporting purposes.

Child Nutrition Fund - The child nutrition fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students.

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. The terms “non-expendable” and “expendable” refer to whether or not the District is under an obligation to maintain the trust principal. 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 operation.

Expendable Trust Funds – Expendable trust funds include the gifts and endowments fund, medical insurance fund, arbitrage fund, workers compensation fund and the sick leave liability fund.

PTAG Gifts and Endowments Fund and M. Green Endowment Fund – These funds receive their assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. This fund is used to promote the general welfare of the District.

Medical Insurance Fund – The medical insurance fund accounts for revenues and expenditures for all types of self-funded medical insurance coverage.

Arbitrage Fund – The arbitrage fund is used to accumulate the earnings of certain bond issues to which the Internal Revenue Service arbitrage rules apply. These funds will either be retained or transferred to the Internal Revenue Service, depending on future financial events and computations.

Workers Compensation Fund – The workers compensation fund accounts for revenues and expenditures for workers compensation claims.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus - cont’d

Insurance Recovery Fund – The insurance recovery fund is established to account for receipts and expenditures for all types of insurance coverage and major reimbursements and reserves for property.

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

Memorandum Only - Total Column

The total column on the combined financial statements – regulatory basis is captioned “memorandum only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States. 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

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reports in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District prepares its financial statements in a presentation format that is, in substance, the format established by GASB Statement No. 34, *Basic Financial Statements – Management’s Discussion and Analysis for State and Local Governments*. All presentations are shown by fund.

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

- Encumbrances represented by purchase orders, contracts and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Warrants payable are recorded as liabilities when issued.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not assets.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

C. Basis of Accounting and Presentation

- Capital assets reported in the governmental-wide statements are recorded when acquired and depreciated over their useful lives.
- Long-term debt reported in the government-wide statements are recorded when incurred.
- Compensated absences are recorded as an expenditure and liability when the obligation is paid.

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

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31, for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

A budget is legally adopted by the Board of Education for all funds (with the exception of the trust and agency funds) that includes revenues and expenditures.

The District prepares its budget in accordance with the Oklahoma School District Budget Act. The District's final amended budget for the 2017-18 fiscal year was \$143,219,663.

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. Unencumbered appropriations lapse at the end of each fiscal year. While the Debt Service Fund is a governmental fund, a comparison of budget to actual schedule is presented in the financial statements, although the board can exercise no control of the revenue sources for this fund (except interest earnings), and no control over its expenditures.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Equity

Cash and cash equivalents – The District considers all cash on hand, demand deposit accounts, and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

Investments – The District considers investments of direct obligations of the United States government and agencies, certificates of deposits, savings accounts or savings certificates with maturities of greater than three months. All investments are recorded at cost, which approximates market value.

Inventories – The value of consumable inventories is not reported on the combined financial statements. At June 30, 2018, the District maintained \$302,967 of consumable inventories. This inventory is held in the District's main warehouse and child nutrition warehouse.

Capital Assets – The capital assets acquired prior to June 30, 2001 are valued at appraisal using standard or normal costing. Fixed assets acquired after June 30, 2001 are valued at historical (actual) cost.

Depreciation of all exhaustible capital assets is charged as an expense against their operations. Depreciation has been provided using the straight-line method over the following estimated useful lives:

	<u>Useful Life</u>	<u>Capitalization Threshold</u>
Buildings and structures	10-50	\$ 2,500
Improvements	10-50	2,500
Equipment	5-40	300
Furniture and fixtures	5-10	2,500

The schedule below shows total fixed assets, and includes accumulated depreciation as a memorandum item for information.

The capital assets for the year ended June 30, 2018 are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets	\$ 318,635,503	72,983,463	(1,358,546)	390,260,420
Less:				
Accumulated Depr.	<u>(68,250,021)</u>	<u>(12,317,663)</u>	<u>1,358,546</u>	<u>(79,209,138)</u>
Total Capital Assets	<u>\$ 250,385,482</u>	<u>60,665,800</u>	<u>0</u>	<u>311,051,282</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

E. Assets, Liabilities and Fund Equity – cont’d

Warrants Payable – Warrants are issued to meet the obligations for goods and services provided to the District. The District recognizes a liability for the amount of outstanding warrants that have yet to be redeemed by the District’s treasurer.

Encumbrances – Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services received by the District for which a warrant has not been issued. An expenditure is recorded and a liability is recognized for outstanding encumbrances at year end in accordance with the regulatory basis of accounting. While the regulatory basis that is used for the Debt Service Fund approximates full accrual accounting, the accruals recorded are reported to meet regulatory requirements, as opposed to the requirements of generally accepted accounting principles.

Compensated Absences –The District’s policies regarding accumulated unpaid leave applies only to unused vacation and accumulated sick leave and personal days for employees upon retirement only. The government-wide financial statements do not include any liability for any rights to receive vacation, sick leave, or other employee benefits. As of June 30, 2018, the amount estimated as employee leave liability was \$1,973,999.

Funds Held for School Organizations – Funds held for school organizations represent the funds received or collected from students or other cocurricular and extracurricular activities conducted in the District, control over which is exercised by the board of education. These funds are credited to the account maintained for the benefit of each particular activity within the school activity fund.

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.

Fund Balance – In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints placed upon use of resources for specific purposes versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *nonspendable* (i.e., fund balance associated with assets that are not in spendable form, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund)) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

E. Assets, Liabilities and Fund Equity – cont’d

Amounts in the spendable fund balance category are further classified as *restricted*, *committed*, *assigned* or *unassigned*, as appropriate.

Restricted fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.

Committed fund balance represents amounts that are useable only for specific purposes by formal action of the government’s highest level of decision-making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes the limitation by taking action similar to that which imposed the commitment.

Assigned fund balance represents amounts that are intended to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining spendable amounts (except negative balances) that are reported in governmental funds other than the general fund, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purposes in accordance with the provisions of the standard.

Unassigned fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

F. Revenue and Expenditures

Local Revenues – Revenue from local sources is the money generated from within the boundaries of the District and available to the District for its use. 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. These property taxes are distributed to the District’s general, building and sinking funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1. If the first payment is not made in a timely manner, 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

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

F. Revenue and Expenditures – cont’d

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. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

Intermediate Revenues - Revenue from intermediate sources is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the District and the state, and distributed to Districts in amounts that differ in proportion to those which are collected within such systems.

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

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions from or additions to the 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 and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

Federal Revenues – Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a passthrough from another government, such as the state. Entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes. The majority of the federal revenues received by the District are apportioned to the general fund. The District maintains a separate child nutrition fund and the federal revenues received for the child nutrition programs are apportioned there.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

Non-Monetary Transactions – The District receives commodities from the U.S. Department of Agriculture. The value of these commodities has been included in the Schedule of Expenditures of Federal Awards; however, they have not been included in the financial statements as either revenue or expense since they are not reported under the regulatory basis of accounting.

Interest Earnings – Represent compensation for the use of financial sources over a period of time.

Non-Revenue Receipts – Non-revenue receipts represent receipts deposited into a fund that are not new revenues to the District, but the return of assets.

Instruction Expenditures – Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving cocurricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process. The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

Support Services Expenditures – Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

Operation of Non-Instructional Services Expenditures – Activities concerned with providing non-instructional services to students, staff or the community.

Facilities Acquisition and Construction Services Expenditures – Consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.

Other Outlays Expenditures – A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest).

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

F. Revenue and Expenditures – cont’d

Other Uses Expenditures – This includes scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditures for self-funded employee benefit programs administered either by the District or a third party administrator.

Repayment Expenditures – Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayment, non-qualified expenditures and other refunds to be repaid from District funds.

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to the District. The District’s cash deposits and investments at June 30, 2018, were \$70,048,907, at financial institutions, and were completely insured or collateralized by federal depository insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District’s name.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the required liquidity for those investments, these funds have no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Investment Credit risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal policy limiting its investment choices, other than the limitation of state law as follows:

- Direct obligations of the U.S. Government, its agencies and instrument 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.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

2. CASH AND INVESTMENTS – cont'd

- 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.
- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

Concentration of Investment Credit Risk – The District places no limit on the amount it may invest in any one issuer.

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 of the date of issue.

General long-term debt of the District consists of building bonds payable and transportation bonds payable. Debt service requirements for bonds and judgments are payable solely from the fund balance and the future revenues of the debt service fund.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

4. GENERAL LONG-TERM DEBT – cont'd

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2018:

	Bonds Payable	Capital Leases	Total
Balance, July 1, 2017	\$ 85,850,000	734,220	86,584,220
Additions	28,530,000	0	28,530,000
Retirements	(24,310,000)	(734,220)	(25,044,220)
Balance, June 30, 2018	<u>\$ 90,070,000</u>	<u>0</u>	<u>90,070,000</u>

A brief description of the outstanding long-term debt at June 30, 2018, is set forth below:

	<u>Amount Outstanding</u>
<u>General Obligation Bonds:</u>	
Combined Purpose Bonds, Series 2014, original issue \$25,000,000, interest rate of 2.00%, due in annual installments of \$6,250,000, final payment of \$6,250,000 due 6-01-19	\$ 6,250,000
Combined Purpose Bonds, Series 2015, original issue \$23,680,000, interest rate of 2.00%, due in annual installments of \$5,900,000, final payment of \$5,980,000 due 6-01-20	11,880,000
Combined Purpose Bonds, Series 2016, original issue \$24,990,000, interest rate of 2.00%, due in annual installments of \$6,250,000, final payment of \$6,250,000 due 6-01-21	18,750,000
Combined Purpose Bonds, Series 2017, original issue \$24,660,000, interest rate of 2.00-4.00%, due in annual installments of \$6,165,000, final payment of \$6,165,000 due 6-01-22	24,660,000

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

4. GENERAL LONG-TERM DEBT – cont'd

	<u>Amount Outstanding</u>
Combined Purpose Bonds, Series 2018, original issue \$28,530,000, interest rate of 3.00-3.125%, due in annual installments of \$7,000,000, final payment of \$7,530,000 due 6-01-23	<u>\$ 28,530,000</u>
Total Long-Term Debt	<u>\$ 90,070,000</u>

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

Year Ending June 30	Principal	Interest	Total
2019	\$ 24,565,000	2,413,113	26,978,113
2020	25,395,000	1,860,163	27,255,163
2021	19,415,000	1,282,263	20,697,263
2022	13,165,000	691,913	13,856,913
2023	<u>7,530,000</u>	<u>235,313</u>	<u>7,765,313</u>
Total	<u>\$ 90,070,000</u>	<u>6,482,765</u>	<u>96,552,765</u>

Interest paid on general long-term debt during the 2017-18 fiscal year totaled \$2,042,097.

5. EMPLOYEE RETIREMENT SYSTEM

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action. The Oklahoma Teachers' Retirement

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

5. EMPLOYEE RETIREMENT SYSTEM – cont'd

System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, OK 73152, or by calling 405-521-2387.

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. For the 2017-18 fiscal year, the District contributed 9.5% and the State of Oklahoma contributed the remaining amount during the year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, if a member's salary is paid in part by federal or private funds, the contribution on that portion of the salary paid by those funds must be matched by the District at 7.80%.

Annual Pension Cost

The District's total contributions for 2018, 2017 and 2016 were \$7,554,193, \$7,095,095 and \$7,116,241, respectively. Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2018. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Please visit www.ok.gov/TRS for all plan information.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

5. EMPLOYEE RETIREMENT SYSTEM – cont'd

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employers who participate in a pension plan, such as the System, and who prepare published financial statements on an accrual basis using Generally Accepted Accounting Principles. Since the District does not prepare and present their financial statements on an accrual basis, the net pension amount is not required to be presented on the audited financial statements. The amount of calculated pension liability for the District at June 30, 2017 (the latest information available) was \$66,688,905.

6. LEASE REVENUE BONDS

Series 2009

On July 1, 2009, the Tulsa County Industrial Authority issued \$104,420,000 of Educational Facilities Lease Revenue Bonds (Jenks Public School Project) Series 2009, to provide funds required for the constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites for the benefit of the Jenks School District. Also on July 1, 2009, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Tulsa County Industrial Authority. In addition, the District entered into a sublease, as lessee, with the Tulsa County Industrial Authority. The sublease calls for eleven (11) annual payments starting September 1, 2010. These payments will be made out of bond funds, pursuant to the issuance of series bonds in the amount of \$153,430,000, on December 9, 2008. Jenks Public Schools will gain ownership to the capital improvements incrementally as each payment is made.

As of June 30, 2018, approximately \$106,135,259 has been paid out for construction costs and all projects associated with these revenue bonds are complete.

The future lease payments will be as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2018-19	\$ 12,180,000
2019-20	<u>12,180,000</u>
Total Obligation	<u>\$ 24,360,000</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

6. LEASE REVENUE BONDS – cont'd

Series 2015

On September 1, 2015, the Tulsa County Industrial Authority issued \$83,725,000 of Educational Facilities Lease Revenue Bonds (Jenks Public School Project) Series 2015, to provide funds required for the constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites for the benefit of the Jenks School District. Also on September 1, 2015, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Tulsa County Industrial Authority. In addition, the District entered into a sublease, as lessee, with the Tulsa County Industrial Authority. The sublease calls for eleven (11) annual payments starting September 1, 2016. These payments will be made out of bond funds, pursuant to the issuance of series bonds in the amount of \$120,453,405, passed by voters of the District on February 10, 2015. Jenks Public Schools will gain ownership to the capital improvements incrementally as each payment is made.

As of June 30, 2018, approximately \$75,185,029 has been paid out for construction costs.

The future lease payments will be as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2018-19	\$ 2,347,650
2019-20	2,637,360
2020-21	2,932,065
2021-22	15,399,585
2022-23	15,704,280
Thereafter	<u>65,904,030</u>
Total Obligation	<u>\$ 104,924,970</u>

7. RISK MANAGEMENT

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

8. CONTINGENCIES

Federal Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustments 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 to be immaterial.

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2017-18 fiscal year. The revised Uniform Guidance Audits of States, Local Governments and Non-Profit Organizations, established uniform audit requirements for nonfederal entities which expended more than \$750,000 in federal awards.

Litigation

At the date of the audit report, January 8, 2019, school officials are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments against the District.

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 30,465,261	31,061,608	31,180,650	29,718,523
Intermediate sources	2,997,100	3,104,915	3,124,016	2,970,073
State sources	34,342,544	36,825,841	36,980,587	35,486,167
Federal sources	3,809,304	4,139,993	3,912,305	3,852,133
Interest earnings	335,296	578,849	600,592	377,095
Non-revenue receipts	3,374,962	3,201,836	3,303,999	3,186,116
Total revenues collected	<u>75,324,467</u>	<u>78,913,042</u>	<u>79,102,149</u>	<u>75,590,108</u>
Expenditures:				
Instruction	45,959,955	49,192,599	48,280,974	45,178,730
Support services	26,374,941	27,963,373	28,768,130	26,262,471
Operation of non-instructional services	3,140,285	3,180,285	3,289,938	3,140,284
Other outlays:				
Private nonprofit schools	135,000	135,000	93,530	131,134
Correcting entry			7,243	1,884
Total expenditures	<u>75,610,181</u>	<u>80,471,257</u>	<u>80,439,815</u>	<u>74,714,501</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(285,714)	(1,558,215)	(1,337,666)	875,606
Other financing sources (uses):				
Operating transfers in (out)		150,000	173,118	238,365
Adjustments to prior year encumbrances	35,714	115,806	115,807	35,702
Total other financing sources (uses)	<u>35,714</u>	<u>265,806</u>	<u>288,924</u>	<u>274,067</u>
Excess of revenues collected over (under) expenditures	(250,000)	(1,292,409)	(1,048,741)	1,149,673
Cash fund balance, beginning of year	<u>6,787,787</u>	<u>7,822,041</u>	<u>7,822,041</u>	<u>6,672,368</u>
Cash fund balance, end of year	<u>\$ 6,537,787</u>	<u>6,529,632</u>	<u>6,773,300</u>	<u>7,822,041</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
BUDGETARY COMPARISON SCHEDULE -
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Prior Year
	Original	Final	Amounts	(Memorandum Only)
Revenues Collected:				
Local sources	\$ 4,005,100	4,196,641	4,163,273	4,013,482
Interest earnings	457	465	2,479	507
Non-revenue receipts	195,000	197,000	30,000	
Total revenues collected	<u>4,200,557</u>	<u>4,394,106</u>	<u>4,195,752</u>	<u>4,013,989</u>
Expenditures:				
Instruction	6,500	6,500	453	2,418
Support services	4,470,135	4,447,538	4,271,670	4,278,659
Operations of non-instructional services			71,200	
Facilities acquisition and construction services			10,630	
Other outlays:				
Correcting entry			30,000	
Total expenditures	<u>4,476,635</u>	<u>4,454,038</u>	<u>4,383,953</u>	<u>4,281,077</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(276,078)	(59,932)	(188,202)	(267,088)
Other financing sources (uses):				
Adjustments to prior year encumbrances	<u>25,223</u>	<u>25,223</u>	<u>98</u>	<u>27,223</u>
Excess of revenues collected over (under) expenditures	(250,855)	(34,709)	(188,104)	(239,865)
Cash fund balance, beginning of year	<u>592,080</u>	<u>592,080</u>	<u>592,080</u>	<u>831,946</u>
Cash fund balance, end of year	<u>\$ 341,225</u>	<u>557,371</u>	<u>403,976</u>	<u>592,080</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
BUDGETARY COMPARISON SCHEDULE -
CHILD NUTRITION FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Prior Year
	Original	Final	Amounts	(Memorandum Only)
Revenues Collected:				
Local sources	\$ 1,965,654	1,969,344	1,967,031	1,855,829
State sources	325,000	325,000	43,674	246,231
Federal sources	2,237,927	2,237,927	2,346,734	2,218,891
Interest earnings	1,059	6,236	10,840	1,965
Non-revenue receipts	3,000	3,000	5,294	2,768
Total revenues collected	<u>4,532,640</u>	<u>4,541,507</u>	<u>4,373,573</u>	<u>4,325,684</u>
Expenditures:				
Operation of non-instructional services	4,516,996	4,786,935	4,657,655	4,275,429
Other outlays:				
Reimbursement	3,000	3,000	4,002	4,854
Correcting entry			1,794	4,940
Other uses			1,052	
Total expenditures	<u>4,519,996</u>	<u>4,789,935</u>	<u>4,664,502</u>	<u>4,285,223</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	12,644	(248,428)	(290,929)	40,461
Other financing sources (uses):				
Adjustments to prior year encumbrances	2,000	2,000	7,222	287
Total other financing sources (uses)	<u>2,000</u>	<u>2,000</u>	<u>7,222</u>	<u>287</u>
Excess of revenues collected over (under) expenditures	14,644	(246,428)	(283,707)	40,748
Cash fund balance, beginning of year	<u>1,213,916</u>	<u>1,318,749</u>	<u>1,318,749</u>	<u>1,278,001</u>
Cash fund balance, end of year	<u>\$ 1,228,560</u>	<u>1,072,321</u>	<u>1,035,042</u>	<u>1,318,749</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
BUDGETARY COMPARISON SCHEDULE -
SINKING FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Prior Year
	Original	Final	Amounts	(Memorandum Only)
Revenues Collected:				
Local sources	\$ 25,608,468	25,608,468	24,523,107	25,042,660
Interest earnings			14,568	15,584
Non-revenue receipts	500,000	500,000		1,619,114
Total revenues collected	<u>26,108,468</u>	<u>26,108,468</u>	<u>24,537,675</u>	<u>26,677,358</u>
Requirements:				
Judgments				1,205,835
Bonds	23,508,550	23,508,550	24,310,000	23,710,000
Coupons	2,025,250	2,025,250	2,025,250	1,810,800
Total expenditures	<u>25,533,800</u>	<u>25,533,800</u>	<u>26,335,250</u>	<u>26,726,635</u>
Excess of revenue collected over (under) expenditures before other financing sources	574,668	574,668	(1,797,575)	(49,278)
Other financing sources (uses):				
Operating transfers in (out)				1,205,835
Total other financing sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,205,835</u>
Excess of revenue collected over (under) expenditures	574,668	574,668	(1,797,575)	1,156,558
Cash fund balance, beginning of year	<u>14,047,137</u>	<u>14,047,137</u>	<u>15,729,247</u>	<u>14,572,689</u>
Cash fund balance, end of year	<u>\$ 14,621,805</u>	<u>14,621,805</u>	<u>13,931,671</u>	<u>15,729,247</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
BUDGETARY COMPARISON SCHEDULE -
BOND FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Prior Year
	Original	Final	Amounts	(Memorandum Only)
Revenues collected:				
Local collections	\$		2,382	
Non revenue receipts			1,693	
Total revenues	0	0	4,075	0
Expenditures:				
Instruction	1,054,845	1,054,845	592,180	1,356,832
Support services	7,125,689	7,125,689	7,168,564	6,426,465
Operation non-instructional services	87,078	87,078	89,536	
Facilities acquisition & construction services	19,085,173	19,085,173	19,663,245	15,933,590
Other Outlays - Correcting Entry			1,693	
Total expenditures	27,352,785	27,352,785	27,515,218	23,716,887
Excess of revenues collected over (under) expenditures before other financing sources	(27,352,785)	(27,352,785)	(27,511,144)	(23,716,887)
Other financing sources (uses):				
Adjustments to prior year encumbrances			5,110	301
Operating transfers in (out)				(1,205,835)
Bond sale proceeds	24,660,000	24,660,000	28,530,000	24,660,000
Total other financing sources	24,660,000	24,660,000	28,535,110	23,454,465
Excess of revenues collected and other financing sources over (under) expenditures and other financing sources (uses)	(2,692,785)	(2,692,785)	1,023,966	(262,421)
Cash fund balance, beginning of year	30,322,270	30,322,270	32,926,536	33,188,957
Cash fund balance, end of year	\$ 27,629,485	27,629,485	33,950,502	32,926,536

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
 JUNE 30, 2018

	2014 GEN. OBLIG. BOND FUND	2015 GEN. OBLIG. BOND FUND	2016 GEN. OBLIG. BOND FUND	2017 GEN. OBLIG. BOND FUND	2018 GEN. OBLIG. BOND FUND	TOTAL
<u>ASSETS</u>						
Cash and Investments	\$ 113,024	775,238	1,139,043	3,619,549	28,493,794	34,140,649
Total Assets	<u>\$ 113,024</u>	<u>775,238</u>	<u>1,139,043</u>	<u>3,619,549</u>	<u>28,493,794</u>	<u>34,140,649</u>
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Warrants payable	\$ 8,741	58,630	43,793	78,984	0	190,147
Fund Balance:						
Restricted	<u>104,283</u>	<u>716,609</u>	<u>1,095,251</u>	<u>3,540,566</u>	<u>28,493,794</u>	<u>33,950,502</u>
Total Liabilities and Fund Balance	<u>\$ 113,024</u>	<u>775,238</u>	<u>1,139,043</u>	<u>3,619,549</u>	<u>28,493,794</u>	<u>34,140,649</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2018

	2013 BUILDING BOND FUND	2014 GEN. OBLIG. BOND FUND	2015 GEN. OBLIG. BOND FUND	2016 GEN. OBLIG. BOND FUND	2017 GEN. OBLIG. BOND FUND	2018 GEN. OBLIG. BOND FUND	TOTAL
Revenues Collected:							
Local sources	\$		2,382				2,382
Non-revenue receipts			1,016	261	416		1,693
Total Revenue	<u>0</u>	<u>0</u>	<u>3,398</u>	<u>261</u>	<u>416</u>	<u>0</u>	<u>4,075</u>
Expenditures:							
Instruction	12,810	30,287	207,430	91,941	249,713		592,180
Support services	282,101	755,981	773,271	1,193,262	4,127,743	36,206	7,168,564
Operation non-instructional services			86,078	3,459			89,536
Facilities acquisition and const. services		60,918	59,248	2,878,942	16,664,136		19,663,245
Other Outlays - Correcting Entry			1,016	261	416		1,692
Total expenditures	<u>294,911</u>	<u>847,186</u>	<u>1,127,042</u>	<u>4,167,865</u>	<u>21,042,008</u>	<u>36,206</u>	<u>27,515,218</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(294,911)	(847,186)	(1,123,644)	(4,167,604)	(21,041,592)	(36,206)	(27,511,143)
Other financing sources (uses):							
Adjustments to prior year encumbrances		4,921		189			5,110
Bond sale proceeds						28,530,000	28,530,000
Total other financing sources (uses)	<u>0</u>	<u>4,921</u>	<u>0</u>	<u>189</u>	<u>0</u>	<u>28,530,000</u>	<u>28,535,110</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing uses	(294,911)	(842,265)	(1,123,644)	(4,167,415)	(21,041,592)	28,493,794	1,023,966
Cash fund balances, beginning of year	<u>294,911</u>	<u>946,548</u>	<u>1,840,253</u>	<u>5,262,666</u>	<u>24,582,158</u>	<u>0</u>	<u>32,926,536</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>104,283</u>	<u>716,609</u>	<u>1,095,251</u>	<u>3,540,566</u>	<u>28,493,794</u>	<u>33,950,502</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL FIDUCIARY FUND TYPES - REGULATORY BASIS
 JUNE 30, 2018

	<u>EXPENDABLE TRUST FUNDS</u>		<u>AGENCY FUNDS</u>	
	<u>GIFTS FUND</u>	<u>ARBITRAGE FUND</u>	<u>SCHOOL ACTIVITY FUNDS</u>	<u>TOTAL</u>
<u>ASSETS</u>				
Cash & Investments	\$ 407,168	35,669	4,647,754	5,090,591
Total Assets	<u>\$ 407,168</u>	<u>35,669</u>	<u>4,647,754</u>	<u>5,090,591</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Warrants payable	\$ 355,061			355,061
Funds held for school organizations:				
Student activity funds			3,038,452	3,038,452
Community education programs			1,609,302	1,609,302
Total liabilities	<u>355,061</u>	<u>0</u>	<u>4,647,754</u>	<u>5,002,815</u>
Fund Balances:				
Restricted	<u>52,107</u>	<u>35,669</u>	<u>0</u>	<u>87,776</u>
Total Liabilities and Fund Balance	<u>\$ 407,168</u>	<u>35,669</u>	<u>4,647,754</u>	<u>5,090,591</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL EXPENDABLE TRUST FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2018

	EXPENDABLE TRUST FUNDS			
	GIFTS FUND	WORKERS COMP. FUND	ARBITRAGE FUND	TOTAL
Revenues Collected:				
Local sources	\$ 525,897	643,489		1,169,386
Interest earnings			153	153
Total revenues collected	<u>525,897</u>	<u>643,489</u>	<u>153</u>	<u>1,169,539</u>
Expenditures:				
Instruction	473,790			473,790
Support services		342,838		342,838
Other uses (worker's comp claims)		127,533		127,533
Total expenditures	<u>473,790</u>	<u>470,371</u>	<u>0</u>	<u>944,161</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	52,107	173,118	153	225,378
Other financing sources (uses):				
Transfers in (out)	<u>0</u>	<u>(173,118)</u>	<u>0</u>	<u>(173,118)</u>
Excess of revenues collected over (under) expenditures	52,107	0	153	52,260
Cash fund balances, beginning of year	<u>0</u>	<u>0</u>	<u>35,516</u>	<u>35,516</u>
Cash fund balances, end of year	<u>\$ 52,107</u>	<u>0</u>	<u>35,669</u>	<u>87,776</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

	BALANCE 7-01-17	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-18
<u>ASSETS</u>					
Cash & Investments	\$ 4,499,932	9,785,687	0	9,637,865	4,647,754
<u>LIABILITIES</u>					
Funds held for school organizations:					
Student Activity Funds:					
Administration:					
Coca-Cola Exclusivity	\$ 338,116	43,588	(42,672)	76,138	262,895
Vending Commission	5,809	13,770	0	0	19,578
Administrative Vending	280	0	2,274	2,469	85
Maintenance Vending	1,530	0	466	1,184	812
Transportation Vending	2,703	100	1,259	729	3,333
Employee Insurance	572	18,506	0	19,053	24
Student Assistance	8,599	2,297	0	14	10,882
Pom & Cheer Mem. Scholarship	113	0	(113)	0	0
JPS Health & Fitness	44,017	8,415	(15,000)	0	37,432
ESY	85	0	0	33	52
Employee Recognition	4,572	7,895	23,000	33,279	2,187
Staff Development	1,311	492	268	279	1,791
RCK Account	15,952	9,610	(12,665)	745	12,152
Jenks/Union Elem. Writers	4,399	75	75	589	3,960
Print Shop	10,238	25,195	(11,197)	15,028	9,208
H.S. Parking	30,230	47,125	(30,000)	17,829	29,526
Orchestra Maintenance	17,766	13,037	635	3,113	28,325
S.S.A.F.E	483	7,493	(18)	6,480	1,477
Chromebook Insurance	229,160	144,541	(49,970)	79,362	244,369
Administrative Hospitality	370	780	(25)	1,080	45
General Properties	0	52,162	507,519	559,681	0
Activiy Interest Account	12,651	35,537	0	0	48,188
Sub-total	\$ 728,956	430,616	373,835	817,084	716,323
Athletics:					
Athletics	\$ 204,034	390,189	18,804	419,305	193,721
Summer Athletics	189,808	131,335	(73,400)	38,744	208,999
Vending Commission	3,048	0	0	0	3,048
Pom Concessions	1,012	35,148	(19,459)	15,700	1,002
Wrestling Booster Club	8,243	20,033	0	15,895	12,381
Football Booster Club	141,369	154,857	(57,962)	99,111	139,152
Basketball Booster Club	19,727	79,819	(19,025)	46,273	34,248
Pom General Fund	38,703	53,540	39,248	96,398	35,094
JV Pom Booster Club	8,855	64,812	(9,897)	46,028	17,742
Summer Baseball	32,663	30,329	(9,490)	16,840	36,662
8th Grade Pom	12,663	54,154	(28,115)	34,891	3,810
Cross Country Booster Club	17,257	6,735	0	8,703	15,289
HS Baseball Booster Club	38,034	89,011	(12,022)	62,812	52,211
Girls Softball Booster Club	19,524	19,534	20	22,078	17,001

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

	BALANCE 7-01-17	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-18
Athletics: (cont'd)					
Track Booster Club	\$ 7,862	16,165	(1,763)	16,330	5,935
JHS Cheerleader Booster Club	26,980	87,961	(46,974)	41,790	26,177
Boys Soccer Booster Club	12,773	37,604	(1,400)	39,922	9,055
Girls Soccer Booster Club	10,410	27,014	(942)	21,239	15,243
Freshman Pom	8,554	71,916	(26,329)	40,064	14,078
Swim Booster Club	40,977	45,227	684	42,366	44,521
Jenks Tennis Booster Club	20,537	17,582	(4,940)	20,586	12,593
Athletic Training Booster Club	19,612	15,000	(7,500)	7,732	19,380
Girls Golf Booster Club	11,774	17,054	(18)	16,441	12,369
Volleyball Booster Club	19,124	26,615	(200)	34,920	10,620
Jenks Cheer General Fund	19,604	82,469	19,143	90,649	30,567
Boys Golf Booster Club	10,230	10,575	(18)	17,775	3,011
Varsity Pom Booster Club	12,125	95,291	(2,651)	92,844	11,920
Sub-total	<u>\$ 955,502</u>	<u>1,679,967</u>	<u>(244,207)</u>	<u>1,405,435</u>	<u>985,827</u>
East Elementary:					
Vending Commission	\$ 1,318	0	324	45	1,597
General Administrative	58,071	48,103	(4,480)	54,185	47,509
School Store	1,428	1,001	0	590	1,839
Rentie Grove	2,058	0	0	0	2,058
Playground Development	22,061	0	0	0	22,061
Sub-total	<u>\$ 84,936</u>	<u>49,104</u>	<u>(4,156)</u>	<u>54,820</u>	<u>75,064</u>
Southeast Elementary:					
Vending Commission	\$ 451	0	211	0	662
General Administrative	16,739	44,266	(650)	30,048	30,306
Sub-total	<u>\$ 17,190</u>	<u>44,266</u>	<u>(439)</u>	<u>30,048</u>	<u>30,968</u>
West Elementary:					
General Administrative	\$ 86,955	55,932	36,305	70,158	109,034
PTAG	104,341	131,419	(38,197)	116,763	80,801
Sub-total	<u>\$ 191,296</u>	<u>187,352</u>	<u>(1,892)</u>	<u>186,921</u>	<u>189,835</u>
Northwest Elementary:					
General Administrative	\$ 10,000	6,510	4,501	15,682	5,329
PTAG	14,750	77,973	(3,210)	61,061	28,451
Sub-total	<u>\$ 24,750</u>	<u>84,483</u>	<u>1,291</u>	<u>76,743</u>	<u>33,780</u>
East Intermediate:					
Vending Commission	\$ 1,730	0	66	0	1,796
PTAG	52,142	51,956	(16,295)	31,114	56,689
General Administrative	59,704	146,400	1,696	133,891	73,910
Sub-total	<u>\$ 113,576</u>	<u>198,356</u>	<u>(14,533)</u>	<u>165,005</u>	<u>132,394</u>
West Intermediate:					
Vending Commission	\$ 2,845	0	225	0	3,069
PTAG	30,916	78,797	(10,248)	60,025	39,440
General Administrative	66,235	41,275	10,526	47,025	71,011
West Enviromental School	19,671	41,115	(959)	36,835	22,991
Sub-total	<u>\$ 119,666</u>	<u>161,188</u>	<u>(457)</u>	<u>143,885</u>	<u>136,512</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

	BALANCE 7-01-17	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-18
Jenks Middle School:					
Vocal Music	\$ 3,552	25,803	(742)	23,160	5,454
JMS Global	695	142,029	166	142,256	634
Spanish NJHS	401	0	0	293	108
Leadership	2,511	13,257	0	13,111	2,657
JMS Band	18,129	34,482	1,369	34,152	19,827
JMS Drama	195	6,259	28	5,243	1,239
NJHS	2,734	7,678	0	9,152	1,261
JMS Art	9,905	6,659	119	7,045	9,638
JMS STEM	11,169	5,899	(989)	12,884	3,194
Library	2,493	13,460	(73)	10,810	5,070
General Administrative	73,071	75,796	(10,241)	45,772	92,854
Publications	5,276	19,561	(7,205)	14,062	3,570
Sub-total	<u>\$ 130,129</u>	<u>350,884</u>	<u>(17,568)</u>	<u>317,938</u>	<u>145,507</u>
Freshman Academy:					
Vending Commission	\$ 4,330	0	4,051	4,207	4,173
FA Habitat Space	386	0	0	0	386
Freshman Class	30	2,250	(1,174)	1,106	0
General Administrative	36,297	33,193	(7,217)	45,389	16,884
Sub-total	<u>\$ 41,042</u>	<u>35,443</u>	<u>(4,340)</u>	<u>50,702</u>	<u>21,443</u>
High School:					
Vending commission	\$ 9,906	37	8,691	13,365	5,269
Band Vending Commission	71	0	0	0	71
Vocal Music - Musical	15,827	53,584	1,770	60,450	10,731
Work Adjustment Training	9,065	0	0	0	9,065
US First	8,971	26,556	15	17,632	17,911
Earl Pregler Memorial Scholarship	80	0	(80)	0	0
Academic Team	1,169	0	0	225	944
FFA Alumni	73	0	0	0	73
Vocal Music Booster Club	42,051	24,513	15,128	52,781	28,911
Engineering Club	664	0	0	0	664
Trojan Leadership Conference	266	4,300	0	4,115	451
Trojan Torch	137	321	0	289	169
Science Olympiad	608	1,273	357	886	1,352
Class of 2013 Reunion	5,000	0	0	0	5,000
Jenks HS AVID	5	3,056	0	2,951	110
FCA	3,700	0	1,000	506	4,193
China Cultural Exchange	18,997	19,000	0	31,145	6,852
Basketball Spirit Committee	743	0	0	0	743
Odyssey of the Mind	2,092	5,501	0	6,101	1,492
SWAT	75	0	0	0	75
JHS PTAG	10,092	23,103	(18,385)	4,632	10,178
JHS PTAG Care & Concern	1,771	2,350	0	3,312	809
SuperFans	317	820	525	1,128	535
French club	501	1,218	0	1,562	157
Ted Westhusing memorial	2,926	0	74	1,000	2,000
Club Earth	2,210	0	(525)	292	1,394
Latin club	1,963	3,384	0	4,089	1,258
I can work program	1,442	526	25	905	1,087
Band	8,524	1,932	2,446	7,213	5,689

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2018

	BALANCE 7-01-17	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-18
High School: (cont'd)					
Special Olympics	\$ 2,174	3,119	1,180	4,755	1,719
Fashion Club	371	0	0	0	371
Mu Alpha Theta	704	365	(279)	285	505
Class of 2010 Reunion	2,507	0	0	0	2,507
Chinese Club	1,856	2,820	0	1,100	3,576
Yearbook	18,142	67,870	1,749	57,634	30,128
Orchestra Parents Club	24,518	40,752	89	46,984	18,375
Art Club	2,459	8,252	0	5,698	5,013
Trojan Link	528	765	0	865	428
Class of 2012 Reunion	1,001	0	0	0	1,001
Diamond Dolls	12	0	(12)	0	0
DECA	14,925	44,575	297	45,940	13,857
FFA	4,402	102,772	(77)	97,761	9,337
Classroom Volunteers	385	0	0	130	255
German Club	298	2,489	0	2,340	447
History Club	340	1,308	0	1,030	618
Junior Class	5,750	14,627	(15,272)	2,923	2,182
Key Club	6,988	19,279	(15)	20,936	5,316
Math Club	654	5,460	185	3,538	2,761
Competitive Speech/Debate	2,944	8,697	2,592	13,788	445
National Honor Society	2,395	2,765	0	3,837	1,323
Senior Class	7,846	34,631	21,700	38,717	25,459
Pre-Med Society	8,856	3,235	44	1,786	10,348
Spanish Club	244	940	0	1,064	120
Sophmore Class	4,207	4,133	(5,280)	1,986	1,074
Class of 2011 Reunion	2,506	0	0	0	2,506
HS Football Spirit Committee	910	0	0	0	910
Student Council	18,016	37,370	(531)	36,485	18,370
Drama Club	15,759	51,321	1,689	51,028	17,741
FCCLA	657	13,668	0	12,868	1,458
Judy & J Sanders Scholarship Fund	20,601	0	0	2,000	18,601
General Administrative	16,709	85,513	(33,449)	56,276	12,497
PAC - Student Support Service	15	0	(15)	0	0
Library	9,319	9,026	(297)	8,533	9,515
Class of 2008 Reunion	2,025	0	0	2,000	25
Native American Club	1,196	2,964	0	2,688	1,473
Forensics Booster Club	5,726	3,630	(359)	7,313	1,685
Vocal Music	34,530	279,647	(11,000)	283,200	19,978
JHS Multicultural Club	1,168	1,713	0	2,550	332
STEM	3,978	5,605	817	2,419	7,981
Spanish Honor Society	930	4,228	0	3,983	1,175
HS graduation party	16,116	37,108	2,500	42,130	13,594
Class of 2014 Reunion	1,000	0	0	0	1,000
American Sign Language	1,953	4,627	(27)	4,660	1,894
Jenks Band Parents Concessions	32,804	84,167	(62,381)	34,145	20,445
TV Studio	6,014	1,993	0	97	7,910
Jenks Band Parents	115,979	615,294	(4,347)	583,936	142,990
Art Honor Society	2,089	691	(9)	0	2,771
Sub-total	\$ 573,753	1,778,895	(89,468)	1,703,984	559,196

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>7-01-17</u>	<u>ADDITIONS</u>	<u>NET</u> <u>TRANSFERS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>6-30-18</u>
Alternative Center:					
Alternative Center Student Account	\$ 12,641	10,384	727	15,562	8,190
Vending Commission	4,239	0	1,207	2,034	3,412
Sub-total	<u>\$ 16,880</u>	<u>10,384</u>	<u>1,933</u>	<u>17,595</u>	<u>11,603</u>
 Total Activity Funds	 <u>\$ 2,997,676</u>	 <u>5,010,936</u>	 <u>0</u>	 <u>4,970,160</u>	 <u>3,038,452</u>
 Community Education	 <u>\$ 1,502,256</u>	 <u>4,774,751</u>	 <u>0</u>	 <u>4,667,705</u>	 <u>1,609,302</u>
 Total Liabilities	 <u><u>\$ 4,499,932</u></u>	 <u><u>9,785,687</u></u>	 <u><u>0</u></u>	 <u><u>9,637,865</u></u>	 <u><u>4,647,754</u></u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Federal Grantor / Pass Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Federal Grantor's/ Pass-through No.</u>	<u>Program or Award Amount</u>	<u>Balance at 7/1/17</u>	<u>Revenue Collected</u>	<u>Total Expenditures</u>	<u>Balance at 6/30/18</u>
<u>U.S. Department of Education :</u>							
<u>Direct Programs:</u>							
Indian Education	84.060	S060A170815	\$ 153,127		116,320	153,127	36,807
Indian Education - Note 1	84.060			39,737	39,737		
Sub Total			<u>153,127</u>	<u>39,737</u>	<u>156,057</u>	<u>153,127</u>	<u>36,807</u>
<u>Passed Through State Department of Education:</u>							
<u>*Title I Programs:</u>							
Title I	84.010	S010A170036	1,307,371		821,316	1,158,678	337,362
Title I - Note 1	84.010			207,015	207,015		
Title I School Improvement	84.010	S010A170036	30,100		13,438	13,438	
Title I School Improvement - Note 1	84.010			339	339		
<u>Special Education Programs:</u>							
IDEA-B Flowthrough	84.027	H027A170051	2,201,391		1,679,742	2,076,507	396,765
IDEA-B Flowthrough - Note 1	84.027			386,893	386,893		
IDEA-B Professional Development	84.027		8,265		3,559	6,918	3,359
IDEA-B Professional Development	84.027		32,992		16,625	17,926	1,301
IDEA-B Private Schools	84.027	H027A170051	92,867		60,219	75,723	15,504
IDEA-B Private Schools - Note 1	84.027			21,310	21,310		
IDEA-B, Discretionary - Note 1	84.027			609	609		
IDEA-B Preschool	84.173	H027A170051	43,558		26,200	33,054	6,855
IDEA-B Preschool - Note 1	84.173			8,517	8,517		
IDEA-B Preschool - Private Schools	84.173	H027A170051	1,861		1,376	1,743	367
IDEA-B Preschool - Private Schools - Note 1	84.173			423	423		
Title II Part A	84.367	S367A170035	291,017		186,499	242,530	56,031
Title II Part A - Note 1	84.367			18,380	18,380		
Title III Emergency Immigrant	84.365	S365A170036	141,099		40,591	104,726	64,136
Title III Emergency Immigrant - Note 1	84.365			55,874	55,874		
Title III Part A English Language	84.365	S365A170036	166,728		98,258	119,508	21,250
Title III Part A - Note 1	84.365			14,094	14,094		
Sub Total			<u>4,317,248</u>	<u>713,454</u>	<u>3,661,275</u>	<u>3,850,751</u>	<u>902,929</u>
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins Grant	84.048		65,119		358	58,060	57,703
Carl Perkins Grant - Supplemental	84.048		19,000		8,457	16,709	8,252
Carl Perkins Grant - Note 1	84.048			35,055	35,055		
Sub Total			<u>84,119</u>	<u>35,055</u>	<u>43,869</u>	<u>74,769</u>	<u>65,955</u>
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education:</u>							
<u>*Child Nutrition Programs:</u>							
School Breakfast Program	10.553				372,201	372,201	
National School Lunch Program	10.555				1,974,533	1,974,533	
Summer Food Program	10.559					22,654	
Sub Total					<u>2,346,734</u>	<u>2,369,387</u>	
<u>Passed Through Department of Human Services:</u>							
<u>*Non-cash Assistance - Commodities - Note 4</u>							
National School Lunch Program	10.555				336,400	336,400	

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Federal Grantor / Pass Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Federal Grantor's/ Pass-through No.</u>	<u>Program or Award Amount</u>	<u>Balance at 7/1/17</u>	<u>Revenue Collected</u>	<u>Total Expenditures</u>	<u>Balance at 6/30/18</u>
<u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130		\$ 49,320		8,825	32,821	23,996
Johnson O'Malley - Note 1	15.130			2,653	2,653		
Johnson O'Malley Carryover	15.130		37,921		37,921	37,921	
Malcom Baldrige Grant - Note 1	11.609			1,655	1,655		
Flood Control	12.112				49		
Sub Total			<u>87,241</u>	<u>4,308</u>	<u>51,103</u>	<u>70,742</u>	<u>23,996</u>
Total Federal Assistance			<u>\$ 4,641,735</u>	<u>792,553</u>	<u>6,595,439</u>	<u>6,855,177</u>	<u>1,029,687</u>

Note 1 - These amounts represent reimbursements for prior year expenditures which were not received until the current fiscal year.

Note 2 - Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal activity of the District for the year ended June 30, 2018. This information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended and does not present the financial position, changes in net position, or cash flows of the District.

Note 3 - Summary of Significant Accounting Policies - Expenditures reported on this schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements except as noted in Note 4. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 4 - Non-Monetary Assistance - Commodities received by the District in the amount of \$336,400 were of a non-monetary nature and therefore the total revenue does not agree with the financial statements

* Major programs



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

**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**

The Honorable Board of Education
Jenks School District Number I-5
Jenks, Tulsa County, Oklahoma

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements – regulatory basis within the combined financial statements of the Jenks School District Number I-5, Jenks, Tulsa County, Oklahoma (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 8, 2019, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the 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 unmodified with respect to the presentation of financial statement on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 a 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, non-compliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Sanders, Bledsoe & Hewett". The script is cursive and fluid, with the ampersand clearly visible.

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

January 8, 2019



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Board of Education
Jenks School District Number I-5
Jenks, Tulsa County, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Jenks School District Number I-5, Jenks, Tulsa County, Oklahoma (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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of *Title 2 U.S. Code of Federal Regulations 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 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 internal control over compliance was 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.



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

January 8, 2019

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
DISPOSITION OF PRIOR YEAR'S SIGNIFICANT DEFICIENCIES AND
MATERIAL INSTANCES OF NON-COMPLIANCE
JUNE 30, 2018

There were no prior year significant deficiencies.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2018

Section 1 – Summary of Auditor’s Results:

1. An adverse opinion was issued on the combined financial statements in conformity with generally accepted accounting principles, and an unmodified opinion was issued with respect to the presentation of financial statement on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.
2. The audit disclosed no significant deficiencies in the internal controls.
3. The audit disclosed no instances of noncompliance with state laws and regulations.
4. The audit disclosed no significant deficiencies in the internal controls over major programs.
5. An unmodified opinion report was issued on the compliance of major programs.
6. The audit disclosed no findings that were required to be reported under Uniform Guidance.
7. Programs determined to be major are the Child Nutrition Programs (10.553, 10.555, 10.559), which were clustered in determination, and the Title I Programs (84.010), which was not clustered.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The auditee was determined not to be a low-risk auditee.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS:

NONE

Section 3 – Findings and questioned costs for federal awards:

NONE

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF STATUTORY, FIDELITY AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2018

BONDING COMPANY	POSITION COVERED	BOND NUMBER	COVERAGE AMOUNT	EFFECTIVE DATES
RLI Indemnity Company	CFO/Treasurer	LSM0477915	\$ 300,000	1/28/18 - 1/28/19
RLI Indemnity Company	Superintendent	LSM0623643	300,000	7/1/17-7/1/18
RLI Indemnity Company	Assistant Treasurer	LSM0623617	300,000	7/18/17 - 7/18/18
RLI Indemnity Company	Minutes/Board Clerk	LSM0902571	10,000	7/1/17 - 7/1/18
RLI Indemnity Company	Deputy Minutes/Board Clerk	LSM0741686	10,000	5/13/18 - 5/13/19
RLI Indemnity Company	Encumbrance Clerk	LSM0902572	10,000	7/1/17 - 7/1/18
RLI Indemnity Company	Blanket Public Official Position Bond:	LSM0638136	272,000	7/1/17 - 7/1/18
	Activity Fund Custodian			
	Asst Dir of Child Nutrition			
	Activity Fund Courier			
	Teller Community Ed			
	Child Nutrition Clk/Enc Clk			
	Cafeteria Site Managers			
	Child Nutrition Director			
	Activity Fund Clerk			
	Cafeteria Mang Level 2			

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE
AFFIDAVIT
JULY 1, 2017 TO JUNE 30, 2018

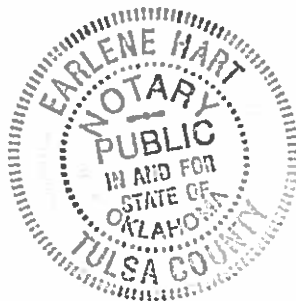
State of Oklahoma)
) ss
County of Tulsa)

The undersigned auditing firm of lawful ages, 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 Jenks Public Schools for the audit year 2017-18.

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP
Auditing Firm

By 
Authorized Agent

Subscribed and sworn to before me
This 8th day of January 2019




Notary Public (or Clerk or Judge)

My Commission Expires: 5/19/2020
Commission No. 00008621