

**ANNUAL FINANCIAL REPORT**  
**INDEPENDENT SCHOOL DISTRICT NO. 93**  
**SHAWNEE PUBLIC SCHOOL DISTRICT**  
**POTTAWATOMIE COUNTY, OKLAHOMA**  
**JULY 1, 2010 TO JUNE 30, 2011**

SHAWNEE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
JUNE 30, 2011

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SHAWNEE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
JULY 1, 2010 TO JUNE 30, 2011

SCHOOL DISTRICT BOARD MEMBERS

Larry Walker  
Keith Sandlin  
Janice Spears  
April Stobbe  
Steven Goombi  
David Parsons  
Kay Hawkins

SUPERINTENDENT OF SCHOOL DISTRICT

Marilyn Bradford

CLERK OF THE BOARD

Janice Spears

SCHOOL DISTRICT TREASURER

Misty Yort

# PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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

EDMOND, OKLAHOMA 73013

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education Independent School District No. 93  
Pottawatomie County, Oklahoma

We have audited the accompanying fund type and account group financial statements of Shawnee School District No. 93, Pottawatomie County, Oklahoma, as listed in the table of contents as combined financial statements, as of and for the year ended June 30, 2011. These financial statements are the responsibility of the Shawnee School District, No. 93, Pottawatomie County, Oklahoma. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, these financial statements were prepared in conformity with the accounting and financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and equity arising from regulatory basis transactions of each fund type and account group of Shawnee School District No. 93, Pottawatomie County, Oklahoma, as of June 30, 2011, and the revenues collected, expenditures paid/expenses, and cash flows of each fund type, where applicable, for the year then ended on the regulatory basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2012, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the fund type and account group financial statements within the combined financial statement. The combining fund statements and schedules and other schedules as listed in the table of contents under other supplementary information are presented for purposes of additional analysis. This other supplementary information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole on the regulatory basis of accounting described in Note 1.

This report is intended solely for the information and use of the Board of Education of Shawnee School District No. 93, Oklahoma State Department of Education, and certain federal regulatory agencies, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Putnam & Company".

Putnam & Company, PLLC

Edmond, Oklahoma  
February 22, 2012

## **COMBINED FINANCIAL STATEMENTS**

**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
COMBINED STATEMENT OF ASSETS AND LIABILITIES  
(ALL FUND TYPES AND ACCOUNT GROUPS) - REGULATORY BASIS  
JUNE 30, 2011**

	Governmental Fund Types				Fiduciary Fund Types	Account Groups	Totals
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long-Term Debt	(Memorandum Only)
<b>ASSETS</b>							
Cash and Cash Equivalents	\$3,645,394	1,050,540		743,392	532,164		5,971,490
Amount Available for Debt Service			2,537,503			184,061	2,721,564
Amount to be Provided for General Long-Term Debt						4,611,117	4,611,117
<b>Total Assets</b>	<b>\$3,645,394</b>	<b>1,050,540</b>	<b>2,537,503</b>	<b>743,392</b>	<b>532,164</b>	<b>4,795,178</b>	<b>13,304,171</b>
<b>LIABILITIES</b>							
Warrants Payable	\$1,316,585	141,153			28,859		1,486,597
Reserved for Encumbrances	505,429	148,653		128,177	3,397		785,656
Long-Term Debt							
Bonds Payable			2,170,000			4,455,000	6,625,000
Interest Payable			183,442			340,178	523,620
<b>Total Liabilities</b>	<b>1,822,014</b>	<b>289,806</b>	<b>2,353,442</b>	<b>128,177</b>	<b>32,256</b>	<b>4,795,178</b>	<b>9,420,873</b>
<b>FUND EQUITY</b>							
Fund Equity:							
Designated for Capital Projects				615,215			615,215
Designated for Debt Service			184,061				184,061
Designated for Student Activities					311,662		311,662
Fund Balance	1,823,380	760,734			188,246		2,772,360
<b>Total Fund Equity</b>	<b>1,823,380</b>	<b>760,734</b>	<b>184,061</b>	<b>615,215</b>	<b>499,908</b>	<b>0</b>	<b>3,883,298</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$3,645,394</b>	<b>1,050,540</b>	<b>2,537,503</b>	<b>743,392</b>	<b>532,164</b>	<b>4,795,178</b>	<b>13,304,171</b>

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

**SHAWNEE SCHOOL DISTRICT NO. 93**  
**POTTAWATOMIE COUNTY, OKLAHOMA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Governmental Fund Types				Fiduciary	Totals
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	(Memorandum Only)
<b>REVENUES:</b>						
Local Sources	\$3,719,232	844,087	2,404,594	0	776,279	7,744,192
Intermediate Sources	426,967					426,967
State Sources	18,151,961	30,613				18,182,574
Federal Sources	5,165,869	1,553,741				6,719,610
<b>Total Revenues Collected</b>	<b>27,464,029</b>	<b>2,428,441</b>	<b>2,404,594</b>	<b>0</b>	<b>776,279</b>	<b>33,073,343</b>
<b>EXPENDITURES:</b>						
Instruction	16,789,498				127,772	16,917,270
Support Services	10,080,706	588,365		183,708	293,072	11,145,851
Operation of Non-Instructional Services	1,054,672	895,570		1,813,950	90,178	3,854,370
Facilities Aquisition & Construction Services	2,000	7,500				9,500
Other Outlays					58,848	58,848
Other Uses					21,400	21,400
Repayments	1,390	88			161,894	163,372
<b>Total Expenditures</b>	<b>27,928,266</b>	<b>1,491,523</b>	<b>2,353,442</b>	<b>1,997,658</b>	<b>753,164</b>	<b>34,524,053</b>
Revenues Over (Under) Expenditures	(464,237)	936,918	51,152	(1,997,658)	23,115	(1,450,710)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer Among Funds	55,188					55,188
Return of Assets	803,407	(803,407)				0
Proceeds From Sale of Bonds				1,830,000		1,830,000
Deobligation of Prior Year Funds	117,552	39,528		315,977	9,603	482,660
Estopped Warrants	1,138	2				1,140
<b>Total Other Financing Sources (Uses):</b>	<b>977,285</b>	<b>(763,877)</b>	<b>0</b>	<b>2,145,977</b>	<b>9,603</b>	<b>2,368,988</b>
Revenue and Other Sources Over (Under) Expenditures and Other Uses	513,048	173,041	51,152	148,319	32,718	918,278
Fund Balance, Beginning of Year	1,310,332	587,693	132,909	466,896	467,190	2,965,020
Fund Balance, End of Year	\$1,823,380	760,734	184,061	615,215	499,908	3,883,298

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



**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - REGULATORY BASIS  
GENERAL FUND AND BUDGETED SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	General Fund			Special Revenue Funds		
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Local Sources	\$3,232,252	3,719,232	486,980	748,169	844,087	95,918
Intermediate Sources	377,935	426,967	49,032			0
State Sources	17,859,146	18,151,961	292,815	24,599	30,613	6,014
Federal Sources	6,037,850	5,165,869	-871,981	1,238,283	1,553,741	315,458
<b>Total Revenues Collected</b>	<b>27,507,183</b>	<b>27,464,029</b>	<b>-43,154</b>	<b>2,011,051</b>	<b>2,428,441</b>	<b>417,390</b>
<b>EXPENDITURES :</b>						
Instruction	17,991,015	16,789,498	1,201,517			0
Support Services	10,515,000	10,080,706	434,294	678,110	588,365	89,745
Non-Instructional Services	1,060,000	1,054,672	5,328	960,134	895,570	64,564
Facility Acquisition/Construction Services	50,000	2,000	48,000	150,000	7,500	142,500
Other Uses			0			0
Repayments	1,500	1,390	110	500	88	412
<b>Total Expenditures</b>	<b>29,617,515</b>	<b>27,928,266</b>	<b>1,689,249</b>	<b>1,788,744</b>	<b>1,491,523</b>	<b>297,221</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(2,110,332)</b>	<b>(464,237)</b>	<b>1,646,095</b>	<b>222,307</b>	<b>936,918</b>	<b>714,611</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Return of Assets		55,188	55,188			0
Transfer Among Funds	800,000	803,407	3,407	(810,000)	(803,407)	6,593
Deobligation of Prior Year Funds		117,552	117,552		39,528	39,528
Estopped Warrants		1,138	1,138		2	2
<b>Total Other Financing Sources (Uses)</b>	<b>800,000</b>	<b>977,285</b>	<b>177,285</b>	<b>(810,000)</b>	<b>(763,877)</b>	<b>46,123</b>
<b>Revenue and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(1,310,332)</b>	<b>513,048</b>	<b>1,823,380</b>	<b>(587,693)</b>	<b>173,041</b>	<b>760,734</b>
<b>Fund Balance, Beginning of Year</b>	<b>1,310,332</b>	<b>1,310,332</b>	<b>0</b>	<b>587,693</b>	<b>587,693</b>	<b>0</b>
<b>Fund Balance, End of Year</b>	<b>\$0</b>	<b>1,823,380</b>	<b>1,823,380</b>	<b>0</b>	<b>760,734</b>	<b>760,734</b>

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

## **NOTES TO FINANCIAL STATEMENTS**

**SHAWNEE SCHOOL DISTRICT NO. 93  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Shawnee Public Schools Independent District No. 93, Pottawatomie County, Oklahoma (the "District") have been prepared in conformity with an other comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

The District is a corporate body for public purposes created under Title 70 of the Oklahoma statutes and accordingly is a separate entity for operating and financial reporting purposes.

The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the District is the Board of Education composed of elected members. The appointed superintendent is the executive officer of the District.

In evaluating how to define the district, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities.

Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

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

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain district functions or activities.

**SHAWNEE SCHOOL DISTRICT NO. 93  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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

**Governmental Fund Types**

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

General Fund – The general fund is used to account for all financial transactions, except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Salary Incentive Aid program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

Special Revenue Fund – The special revenue fund is the District’s Building Fund. The Building Fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment.

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

Debt Service Fund – The debt service fund is the District’s Sinking Fund and is used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

Capital Projects Fund – The capital projects fund is the District’s Bond Fund and is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

**Fiduciary Fund Types**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a trust agreement, trust funds are used for their accounting and reporting. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

**SHAWNEE SCHOOL DISTRICT NO. 93  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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

Account Groups

Account groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt and general fixed assets not accounted for in proprietary funds.

General Long-Term Debt Account Group – This account group was established to account for all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for liabilities for compensated absences and early retirement incentives, which are to be paid from funds provided in future years.

General Fixed Asset Account Group – This account group is used to account for property, plant, and equipment of the school district. The District does not have the information necessary to include this group in its combined financial statements.

Memorandum Only – Total Column - The total column on the general purpose financial statements is captioned “memorandum only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. Basis of Accounting and Presentation

The District prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements-Management’s Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Investments and inventories are recorded as assets when purchased.
- Capital assets in proprietary funds are recorded when acquired and depreciated over their useful lives.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

**SHAWNEE SCHOOL DISTRICT NO. 93**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

C. Basis of Accounting and Presentation – (continued)

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

D. Budgets and Budgetary Accounting

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

The District may upon approval by a majority of the electors of the District voting on the question make the ad valorem levy for emergency levy and local support levy permanent. Under current Oklahoma Statutes, a formal budget is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories.

E. Assets, Liabilities, and Fund Equity

Cash and Cash Equivalents – For purposes of the statement of cash flows, the District considers all cash on hand, demand deposits, and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

Investments – Investments consist of direct obligations of the United States Government and Agencies with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

Property Tax Revenues – The district is authorized by state law to levy property taxes, which consist of ad valorem taxes on real and personal property within the district. The county assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax roll for submission to the County Treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes are due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

**SHAWNEE SCHOOL DISTRICT NO. 93**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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

Inventories – The value of consumable inventories at June 30, 2011 is not material to the basic financial statements.

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

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

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

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

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

Long-Term Debt – Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Balance – Fund balance represents the cash and investments not encumbered by purchase order, legal contracts, and outstanding warrants.

F. Revenue, Expenses, and Expenditures

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

**SHAWNEE SCHOOL DISTRICT NO. 93**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided. These rules also require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

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

**2. DEPOSIT AND INVESTMENT RISKS**

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

At June 30, 2011, the District was not exposed to custodial credit risk as defined above.

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

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



**SHAWNEE SCHOOL DISTRICT NO. 93  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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

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

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

At June 30, 2011, the District had no concentration of credit risk as defined above.

**3. INTERFUND RECEIVABLES AND PAYABLES**

There were no Interfund receivables or payables at June 30, 2011.

**4. CAPITAL ASSETS**

The District maintains historical capital asset and depreciation records. Although this information is not required in the accompanying (regulatory basis) financial statements, it is presented below as supplemental information. The District utilizes the straight-line method to calculate annual depreciation based upon the following estimated useful lives:

	<u>Useful Life</u>
Buildings and Structures	10-45 years
Vehicles	6 years
Equipment	5-10 years

Capital asset activity for the year ended, as follows:

	Balance June 30, 2010	Additions/ Disposals	Transfers	Balance June 30, 2011
Land	\$ 1,542,271			\$ 1,542,271
Buildings & Structures	45,627,741	(1,420,638)	2,702,616	46,909,719
Vehicles	1,713,152	309,151		2,022,303
Equipment	967,726	197,379		1,165,105
Construction in Progress	3,215,324		(2,702,616)	512,708
Accumulated Deprec.	( 16,873,215)	161,453		(16,710,762)
Net Assets	<u>\$ 36,192,999</u>	<u>( 752,655)</u>	<u>0</u>	<u>35,441,344</u>

**SHAWNEE SCHOOL DISTRICT NO. 93  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**5. GENERAL LONG-TERM DEBT**

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue.

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

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2011:

	Bonds Payable	Capital Leases	Total
Balance, July 1, 2010	\$ 6,555,000	13,740,303	\$ 20,295,303
Additions	1,830,000		1,830,000
Retirements	1,760,000	1,344,752	3,104,752
Balance, June 30, 2011	<u>\$ 6,625,000</u>	<u>12,395,551</u>	<u>\$ 19,020,551</u>

A brief description of the outstanding long-term debt at June 30, 2011 is set forth below:

	<u>Amount Outstanding</u>
<u>General Obligation Bonds</u>	
Independent School District No. 93 Building Bonds, Series 2010, original Issue \$1,830,000, interest rate of 1.40%, due in one payment of \$1,830,000, due July 1, 2012.	\$ 1,830,000
Independent School District No. 93 Building Bonds, Series 2010, original Issue \$3,000,000, interest rate of 1.50% to 4.75%, due in annual installments of \$375,000, final payment of \$375,000 due January 1, 2019.	3,000,000
Independent School District No. 93 Building Bonds, Series 2009, original Issue \$1,795,000, interest rate of 1.95%, due in one payment of \$1,795,000, due July 1, 2011.	1,795,000

**SHAWNEE SCHOOL DISTRICT NO. 93  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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

Capital Leases

Lease purchase for land, original issue \$600,000 dated April 12, 2010, interest rate of 4.40%, due in annual principal and interest installments of \$75,695 beginning April 12, 2011, with the final payment due April 12, 2020 551,007

Lease purchase geothermal heat pump for the new early childhood, original issue \$150,000 dated July 1, 2006, interest rate of 3.00%, due in monthly principal and interest installments of \$1,982 beginning July 1, 2008, with the final payment due June 1, 2015 89,544

Lease purchase primarily to construct and equip an early childhood center, and a new auditorium and gymnasium with a connecting common lobby, original issue \$16,295,000 dated July 1, 2006, interest rate of 5.00%, due in varying annual principal and interest installments beginning March 1, 2007, with the final payment due September 1, 2016 11,755,000

TOTAL \$ 19,020,551

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

Year ending <u>June 30</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 3,632,428	\$ 835,172	\$ 4,467,600
2013	3,780,422	650,912	4,431,334
2014	2,063,474	515,995	2,579,469
2015	2,186,653	425,754	2,612,407
2016	2,305,809	328,815	2,634,624
2017	4,093,562	224,125	4,317,687
2018	441,398	29,538	470,936
2019	444,360	16,826	461,186
2020	72,445	3,241	75,686
	<u>\$ 19,020,551</u>	<u>\$ 3,030,378</u>	<u>\$ 22,050,929</u>

Interest expense on related to outstanding bonds during the current year totaled \$183,442.

**SHAWNEE SCHOOL DISTRICT NO. 93  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**6. EMPLOYEE RETIREMENT SYSTEM**

Basis of Accounting

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

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

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. Actuarial valuations are not performed on individual school districts. The nonfunded pension benefit obligation of the System, as determined as part of the latest actuarial valuation indicates a significant unfunded pension benefit obligation.

Funding Policy

A participant with five years of creditable service may retire with a normal retirement allowance at the age of sixty-two (62) or with reduced benefits as early as age fifty-five (55). The normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised, equals two percent of the average of the highest three earning years of contributory service multiplied by the number of years of credited service. A participant leaving employment before attaining retirement age, but completing ten years of service, may elect to vest his/her accumulated contributions and defer receipt of a retirement annuity until a later date. When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit of \$18,000.00 and the participant's contributions plus interest. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death. The contribution rates for the Districts, which are not actuarially determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. Employers' contribution of applicable earnings was 9.5% for the fiscal year ended June 30, 2011

Annual Pension Cost

The District's contribution to the System for the year ending June 30, 2011, was \$1,108,617. The District's total payroll for fiscal year 2010-11 was \$15,845,942.07.

**SHAWNEE SCHOOL DISTRICT NO. 93  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**7. CONTINGENCIES**

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

**8. RISK MANAGEMENT AND LITIGATION**

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

**9. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through February 22, 2012, which is the date the financial statements were issued.

**OTHER SUPPLEMENTARY INFORMATION**

**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
REGULATORY BASIS  
SPECIAL REVENUE FUNDS  
JUNE 30, 2011**

	BUILDING FUND	CHILD NUTRITION FUND	TOTALS (Memorandum Only)
<u>ASSETS</u>			
Cash and Cash Equivalents	\$548,910	501,630	1,050,540
Total Assets	\$548,910	501,630	1,050,540
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Warrants Outstanding	\$89,361	51,792	141,153
Reserved for Encumbrances	124,918	23,735	148,653
Total Liabilities	214,279	75,527	289,806
Fund Balance:			
Unreserved	334,631	426,103	760,734
Total Fund Equity	334,631	426,103	760,734
Total Liabilities and Fund Equity	\$548,910	501,630	1,050,540

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

**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - REGULATORY BASIS  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (Memorandum Only)</u>
Revenues:			
Local Sources	\$591,002	253,085	844,087
State Sources		30,613	30,613
Federal Sources		1,553,741	1,553,741
	<u>591,002</u>	<u>1,837,439</u>	<u>2,428,441</u>
Total Revenues Collected			
Expenditures:			
Support Services	588,365		588,365
Operation of Non-Instructional Services		895,570	895,570
Facilities Acquisition & Construction Services	7,500		7,500
Repayments		88	88
	<u>595,865</u>	<u>895,658</u>	<u>1,491,523</u>
Total Expenditures			
Total Revenues Over (Under) Expenditures	<u>(4,863)</u>	<u>941,781</u>	<u>936,918</u>
Other Financing Sources (Uses):			
Transfer Among Funds		(803,407)	(803,407)
Deobligation of Prior Years Funds	22,740	16,788	39,528
Estopped Warrants	2		2
	<u>22,742</u>	<u>(786,619)</u>	<u>(763,877)</u>
Total Other Financing Sources (Uses)			
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>17,879</u>	<u>155,162</u>	<u>173,041</u>
Fund Balance, Beginning of Year	<u>316,752</u>	<u>270,941</u>	<u>587,693</u>
Fund Balance, End of Year	<u><u>\$334,631</u></u>	<u><u>426,103</u></u>	<u><u>760,734</u></u>

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



**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETED SPECIAL REVENUE FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2011**

	Building Fund			Child Nutrition Fund		
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Local Sources	\$511,358	591,002	79,644	236,811	253,085	16,274
State Sources			0	24,599	30,613	6,014
Federal Sources			0	1,238,283	1,553,741	315,458
Total Revenues	<u>511,358</u>	<u>591,002</u>	<u>79,644</u>	<u>1,499,693</u>	<u>1,837,439</u>	<u>337,746</u>
EXPENDITURES :						
Support Services	678,110	588,365	89,745			0
Operation of Non-Instructional Services			0	960,134	895,570	64,564
Facilities Acquisition & Construction	150,000	7,500	142,500			0
Repayments			0	500	88	412
Total Expenditures	<u>828,110</u>	<u>595,865</u>	<u>232,245</u>	<u>960,634</u>	<u>895,658</u>	<u>64,976</u>
Revenues Over (Under) Expenditures	<u>(316,752)</u>	<u>(4,863)</u>	<u>311,889</u>	<u>539,059</u>	<u>941,781</u>	<u>402,722</u>
OTHER FINANCING SOURCES (USES):						
Transfer Among Funds			0	(810,000)	(803,407)	6,593
Deobligation of Prior Year Funds		22,740	22,740		16,788	16,788
Estopped Warrants		2	2			0
Total Other Financing Sources (Uses)	<u>0</u>	<u>22,742</u>	<u>22,742</u>	<u>(810,000)</u>	<u>(786,619)</u>	<u>23,381</u>
Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>(316,752)</u>	<u>17,879</u>	<u>334,631</u>	<u>(270,941)</u>	<u>155,162</u>	<u>426,103</u>
Fund Balance, Beginning of Year	<u>316,752</u>	<u>316,752</u>	<u>0</u>	<u>270,941</u>	<u>270,941</u>	<u>0</u>
Fund Balance, End of Year	<u>\$0</u>	<u>334,631</u>	<u>334,631</u>	<u>0</u>	<u>426,103</u>	<u>426,103</u>

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

**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS  
CAPITAL PROJECTS FUNDS  
JUNE 30, 2011**

	2009 BUILDING BOND FUND #34	2010 BUILDING BOND FUND #35	2010 BUILDING BOND FUND #36	TOTALS (Memorandum Only)
<u>ASSETS</u>				
Cash and Cash Equivalents	\$0	719,842	23,550	743,392
Total Assets	<u>\$0</u>	<u>719,842</u>	<u>23,550</u>	<u>743,392</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Warrants Outstanding	\$0			0
Reserve for Encumbrances		106,577	21,600	128,177
Total Liabilities	<u>0</u>	<u>106,577</u>	<u>21,600</u>	<u>128,177</u>
Fund Balance:				
Unreserved				
Designated for Capital Projects	0	613,265	1,950	615,215
Total Fund Equity	<u>0</u>	<u>613,265</u>	<u>1,950</u>	<u>615,215</u>
Total Liabilities and Fund Equity	<u>\$0</u>	<u>719,842</u>	<u>23,550</u>	<u>743,392</u>

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

**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - REGULATORY BASIS  
CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	2009 BUILDING BOND FUND #34	2010 BUILDING BOND FUND #35	2010 BUILDING BOND FUND #36	TOTALS (Memorandum Only)
Revenues:				
Local Sources	\$0	0	0	0
Total Revenues Collected	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:				
Support Services		162,108	21,600	183,708
Operation of Non-Instructional Services		7,500	1,806,450	1,813,950
Total Expenditures	<u>0</u>	<u>169,608</u>	<u>1,828,050</u>	<u>1,997,658</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(169,608)</u>	<u>(1,828,050)</u>	<u>(1,997,658)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Bonds			1,830,000	1,830,000
Deobligation of Prior Year Funds		315,977		315,977
Total Other Financing Sources (Uses)	<u>0</u>	<u>315,977</u>	<u>1,830,000</u>	<u>2,145,977</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>0</u>	<u>146,369</u>	<u>1,950</u>	<u>148,319</u>
Fund Balance, Beginning of Year	<u>0</u>	<u>466,896</u>	<u>0</u>	<u>466,896</u>
Fund Balance, End of Year	<u>\$0</u>	<u>613,265</u>	<u>1,950</u>	<u>615,215</u>

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

**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS  
TRUST AND AGENCY FUNDS  
JUNE 30, 2011**

	EXPENDABLE TRUST FUNDS		AGENCY FUNDS	TOTALS (Memorandum Only)
	GIFT FUND	UNEMPLOYMENT COMPENSATION FUND	ACTIVITY FUND	
<u>ASSETS</u>				
Cash and Cash Equivalents	\$194,624	2,383	335,157	532,164
Total Assets	<u>\$194,624</u>	<u>2,383</u>	<u>335,157</u>	<u>532,164</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Warrants Outstanding	\$5,364		23,495	28,859
Reserved for Encumbrances	1,014	2,383		3,397
Total Liabilities	<u>6,378</u>	<u>2,383</u>	<u>23,495</u>	<u>32,256</u>
Fund Balance:				
Unreserved	188,246	0	311,662	499,908
Total Fund Equity	<u>188,246</u>	<u>0</u>	<u>311,662</u>	<u>499,908</u>
Total Liabilities and Fund Equity	<u>\$194,624</u>	<u>2,383</u>	<u>335,157</u>	<u>532,164</u>

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

**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - REGULATORY BASIS  
TRUST AND AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	EXPENDABLE TRUST FUNDS		AGENCY FUNDS	TOTALS (Memorandum Only)
	GIFT FUND	UNEMPLOYMENT COMPENSATION FUND	ACTIVITY FUND	
Revenues:				
Local Sources	<u>\$142,261</u>		<u>634,018</u>	<u>776,279</u>
 Total Revenues Collected	<u>142,261</u>	<u>0</u>	<u>634,018</u>	<u>776,279</u>
 Expenditures:				
Instruction	57,816		69,956	127,772
Support Services	11,888	39,281	241,903	293,072
Non-Instructional			90,178	90,178
Other Outlays			58,848	58,848
Other Uses	21,400			21,400
Repayments			<u>161,894</u>	<u>161,894</u>
 Total Expenditures	<u>91,104</u>	<u>39,281</u>	<u>622,779</u>	<u>753,164</u>
 Other Financing Sources (Uses):				
Deobligation of Prior Year Funds	<u>9,603</u>		<u>0</u>	<u>9,603</u>
 Total Other Financing Sources (Uses)	<u>9,603</u>	<u>0</u>	<u>0</u>	<u>9,603</u>
 Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	60,760	(39,281)	11,239	32,718
 Fund Balance, Beginning of Year	<u>127,486</u>	<u>39,281</u>	<u>300,423</u>	<u>467,190</u>
 Fund Balance, End of Year	<u>\$188,246</u>	<u>0</u>	<u>311,662</u>	<u>499,908</u>

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

**SHAWNEE SCHOOL DISTRICT NO. 93**  
**POTTAWATOMIE COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**REGULATORY BASIS - ACTIVITY FUND**  
**JULY 1, 2010 TO JUNE 30, 2011**

	<u>Balance</u> <u>7/01/10</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>6/30/11</u>
Athletics - Football	\$14,381.72	4,966.00	22,766.10	35,363.57	6,750.25
Athletics - Boys Basketball	5,840.41	5,783.50	6,504.60	10,698.17	7,430.34
Athletics - Girls Basketball	4,575.16	6,628.50	6,296.60	13,049.86	4,450.40
Athletics - Swimming	4,180.24	5,084.00	650.46	6,167.46	3,747.24
Athletics Baseball	2,162.29	15,435.85	3,902.76	16,053.75	5,447.15
Athletics - Girls Softball	2,584.92	6,638.00	3,902.76	5,841.18	7,284.50
Athletics - Wrestling	1,367.74	2,409.20	3,902.76	5,767.33	1,912.37
Athletics - Boys Tennis	887.49	7,488.37	1,429.61	8,951.83	853.64
Athletics - Girls Tennis	762.68	7,428.38	1,574.11	9,652.67	112.50
Athletics - Boys Track	1,143.19	559.15	1,951.38	3,173.07	480.65
Athletics - Girls Track	3,498.20	429.16	1,889.88	4,944.07	873.17
Athletics - Boys Golf	726.12	0.00	650.46	1,251.58	125.00
Athletics - Cross Country	1,196.69	1,085.00	1,300.92	1,442.00	2,140.61
Athletics - Boys Soccer	113.08	0.00	1,951.38	2,064.46	0.00
Athletics - Girls Volleyball	538.26	0.00	1,951.38	2,475.53	14.11
Athletics - Girls Golf	1,186.66	1,050.00	650.46	1,511.50	1,375.62
Athletics - Play-Offs	4,490.00	22,103.52	(5,823.52)	17,870.00	2,900.00
Athletics - Ad Contingency	76,991.69	80,904.34	(67,316.73)	12,259.43	78,319.87
Athletics - Girls Soccer	327.68	5,666.59	1,951.38	5,036.09	2,909.56
HS General	923.24	1,699.36	(860.28)	1,055.75	706.57
HS Band	150.21	100.00	0.00	250.21	0.00
HS Yearbook	15,023.33	24,272.64	0.00	23,773.90	15,522.07
HS SOS Girls	346.71	821.00	(272.00)	221.00	674.71
HS Pom Pon	734.58	4,619.37	(943.95)	4,043.64	366.36
HS Sclass of 2011 (Seniors)	4,584.04	1,207.00	0.00	3,715.43	2,075.61
HS Class of 2014 (Freshman)	2,485.90	1,546.00	0.00	3,697.36	334.54
HS Class of 2012 (Juniors)	703.25	9,111.60	0.00	5,860.67	3,954.18
HS Class of 2013 (Sophomores)	905.03	1,893.00	(164.61)	1,181.69	1,451.73
HS Wolf Alley Store	0.00	16,307.37	1,488.00	16,555.11	1,240.26
HS Speech/Debate	694.13	1,000.00	(1,509.13)	185.00	0.00
HS Wolfves Journal	1,873.20	905.00	0.00	479.32	2,298.88
HS Student Council	1,034.44	4,902.81	(440.27)	3,540.51	1,956.47
HS FCCLA	683.18	100.00	0.00	90.00	693.18
HS Cheerleaders	1,440.00	13,951.22	(827.92)	11,142.20	3,421.10
HS 9th Grade Cheerleaders	5,162.36	8,979.84	(504.38)	13,637.40	0.42
HS Drama	3,640.50	1,160.75	3.07	1,424.38	3,379.94
HS FCA	106.52	0.00	0.00	0.00	106.52
HS FFA	469.59	16,634.70	0.00	17,030.00	74.29
HS French Club	550.60	0.00	0.00	0.00	550.60
HS Honor Society	582.66	2,537.00	0.00	954.70	2,164.96

**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
REGULATORY BASIS - ACTIVITY FUND  
JULY 1, 2010 TO JUNE 30, 2011**

	<u>Balance</u> <u>7/01/10</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>6/30/11</u>
HS Baseball Coke Fund	1,456.42	701.45	0.00	0.00	2,157.87
HS Football Coke Fund	609.68	0.00	0.00	0.00	609.68
HS Leadership Class	616.26	4,345.54	0.00	3,223.20	1,738.60
HS UMD	358.01	0.00	0.00	0.00	358.01
HS Choral Music	170.77	488.00	0.00	622.00	36.77
HS Advanced Placement	1,680.71	2,472.00	(23.70)	2,875.00	1,254.01
HS Art Club	180.38	0.00	0.00	0.00	180.38
HS Science Club	211.58	345.00	(556.58)	0.00	(0.00)
HS Math/Sci ACT Prep	75.00	0.00	0.00	0.00	75.00
HS Teachers Lounge Acct	175.47	745.28	(73.50)	404.12	443.13
HS Library Media	800.11	1,473.83	0.00	1,835.69	438.25
HS Native American Club	11.88	742.36	0.00	529.50	224.74
HS Musical Production	4,221.53	8,438.26	(2,268.66)	1,338.03	9,053.10
HS PSAT	1,388.85	367.00	0.00	416.00	1,339.85
HS Latin Club	495.58	0.00	0.00	0.00	495.58
HS Freshman Leadership	221.41	0.00	0.00	100.92	120.49
HS Herpetology	12.48	0.00	0.00	0.00	12.48
HS Transition Skills	2,446.51	0.00	(1,500.00)	556.18	390.33
HS Baseball Boosters	340.00	0.00	0.00	0.00	340.00
MS General	411.58	4,261.16	(761.32)	2,620.23	1,291.19
MS Band	4,170.22	11,314.43	(863.79)	11,531.30	3,089.56
MS Yearbook	928.29	9,188.52	(11.00)	9,007.92	1,097.89
MS Pep Club	0.00	201.00	0.00	201.00	0.00
MS Chorus	1,154.16	7,154.76	(68.06)	6,773.11	1,467.75
MS Student Council	6,524.93	3,737.84	0.00	3,122.91	7,139.86
MS Speech/Drama	3,333.70	276.00	0.00	529.00	3,080.70
MS Cheerleaders	3,751.06	7,318.80	(628.38)	5,338.68	5,102.80
MS Teachers Lounge	93.11	96.91	0.00	96.00	94.02
Margins of Excellence	409.85	0.00	0.00	25.00	384.85
MS Archery	0.00	516.20	(162.87)	345.15	8.18
MS Art Club	1,122.08	1,885.13	(307.61)	1,348.57	1,351.03
MS Technology Ed	0.00	201.00	0.00	170.00	31.00
MS Girls Basketball/P.E.	121.72	1,460.00	0.00	1,411.00	170.72
MS Library Media	1,441.54	2,980.31	0.00	2,448.02	1,973.83
MS Sixth Grade	1,118.56	290.32	(174.75)	715.61	518.52
MS Seventh Grade	928.24	263.97	0.00	25.00	1,167.21
MS Eighth Grade	2,049.36	773.91	(237.57)	1,283.32	1,302.38
MS Boys Basketball/P.E.	4.17	0.00	0.00	0.00	4.17
MS F.C.A.	314.19	0.00	0.00	25.00	289.19
Relay for Life - All Sites	0.00	7,859.97	0.00	7,507.27	352.70
Horace Mann Elementary	8,181.78	11,819.22	(1,230.01)	14,165.51	4,605.48
Horace Mann Lounge	725.74	1,062.70	0.00	1,585.88	202.56
Jefferson Elementary	5,985.68	4,975.74	(699.23)	6,578.53	3,683.66
Jefferson Teachers Lounge	2,880.72	442.67	0.00	1,592.53	1,730.86
Sequoyah Elementary	2,545.25	6,503.56	(60.90)	4,712.96	4,274.95
Sequoyah Teachers Lounge	89.65	66.23	0.00	32.00	123.88
Jim Thorpe Academy	45.62	1,682.00	(6.00)	116.66	1,604.96
Jim Thorpe Academy Lounge	1.00	0.00	0.00	0.00	1.00

**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
REGULATORY BASIS - ACTIVITY FUND  
JULY 1, 2010 TO JUNE 30, 2011**

	<u>Balance</u> <u>7/01/10</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>6/30/11</u>
Will Rogers Elementary	1,989.07	4,768.14	(828.41)	2,087.26	3,841.54
Will Rogerys Teachers Lounge	2,727.41	577.87	0.00	1,740.82	1,564.46
Shawnee Early Childhood	52.92	4,861.76	(992.41)	1,454.27	2,468.00
SECC Teachers Lounge	374.98	607.79	0.00	492.26	490.51
Jefferson After School	420.06	0.00	0.00	0.00	420.06
GED Testing (ABE)	8,553.73	12,801.00	0.00	14,901.81	6,452.92
American Red Cross	82.00	0.00	0.00	0.00	82.00
Horace Mann PTO	1,238.46	4,085.00	0.00	3,629.76	1,693.70
Strengthening Families	25.58	0.00	0.00	0.00	25.58
Indian Students	465.68	0.00	0.00	302.61	163.07
Central Office Account	36.99	29.96	0.00	34.17	32.78
Central Office Hospitality	548.49	336.00	0.00	471.01	413.48
Now Account	991.01	2,855.62	0.00	1,046.64	2,799.99
Refunds & Reimbursements	0.00	30,417.36	25,255.83	55,673.19	0.00
OPAT Local Support	249.61	0.00	0.00	0.00	249.61
CNP Catering Services	3,584.40	1,161.00	143.64	1,160.00	3,729.04
Transportation Department	1,295.86	480.91	0.00	560.54	1,216.23
Special Olympics (All Sites)	5,646.95	1,889.74	0.00	3,972.77	3,563.92
Teacher of the Year (All Sites)	107.25	1,691.50	0.00	1,733.90	64.85
P S I Training	435.05	0.00	0.00	0.00	435.05
SPS Medical Reimbursement	31,340.74	158,104.49	0.00	148,134.30	41,310.93
SPS Dependent Care Reimbursement	7,036.83	12,516.56	0.00	13,759.96	5,793.43
MS Mat Maids	2.50	287.40	0.00	25.00	264.90
MS Health Fair	161.96	4,225.00	0.00	3,749.62	637.34
MS Academic Team	0.80	0.00	0.00	0.00	0.80
MS Staff Fellowship	202.55	461.03	0.00	228.41	435.17
<b>TOTAL</b>	<b><u>\$300,423.40</u></b>	<b><u>634,017.42</u></b>	<b><u>(0.00)</u></b>	<b><u>622,778.92</u></b>	<b><u>311,661.90</u></b>

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



**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2011**

	Project Code	Federal CFDA Number	Program or Award Amount	Cash/ Beginning Balance at July 1, 2010	Federal Receipts	Federal Expenditures	Cash/ Ending Balance at June 30, 2011
<b>Direct Funding:</b>							
Impact Aid	591	84.041	\$401,583.84		401,583.84	401,583.84	0.00
Rehabilitation Services	456	84.126	210.25		210.25	210.25	0.00
Title IX Indian Education	561	84.060	282,130.00		88,181.87	282,130.00	(193,948.13)
Title IX Indian Education - Prior Year	799	84.060		(148,319.86)	148,319.86		0.00
Sub-total			683,924.09	(148,319.86)	638,295.82	683,924.09	(193,948.13)
<b>U.S. Department of Education:</b>							
Passed through the Department of Education:							
Title I	511	84.010	1,684,659.68		731,562.51	1,578,778.13	(847,215.62)
Title I - Prior Year	799	84.010		(641,797.99)	641,797.99		0.00
Title I - School Improvement - Prior Year	799	84.010					0.00
Title I - ARRA	516	84.389	260,439.25		209,085.43	260,439.25	(51,353.82)
Title I - ARRA - Prior Year	516	84.389		(165,508.73)	165,508.73		0.00
Title I - Neglected	518	84.010	12,231.08			12,170.48	(12,170.48)
Title I - Neglected - Prior Year	799	84.010		(16,808.08)	16,808.08		0.00
Title I - Part D	532	84.010	18,279.76		18,278.88	18,278.88	0.00
Title I - Subpart 2 Delinquent - ARRA	533	84.389	2,035.63		2,035.63	2,035.63	0.00
Title I Subpart 2 Delinquent - ARRA - Prior Year	799	84.389		(3,393.60)	3,393.60		0.00
Title I - Neglected - ARRA - Prior Year	799	84.389		(2,920.42)	2,920.42		0.00
Title II, Part A	541	84.367	291,991.16		157,273.34	242,029.08	(84,755.74)
Title II, Part A - Prior Year	799	84.367		(72,049.09)	72,049.09		0.00
Title II, Part D	546	84.318	3,912.67			3,912.67	(3,912.67)
Title II, Part D - Prior Year	799	84.318		(12,266.47)	12,266.47		0.00
Title II, Part D	548	84.318	1,319.76			1,242.81	(1,242.81)
Title II, Part D - Prior Year	799	84.318		(5,230.42)	5,230.42		0.00
Title IV, Part A	551	84.186	4,607.64		4,607.64	4,607.64	0.00
Title IV, Part A - Prior Year	799	84.186		(27,498.82)	27,498.82		0.00
Title IV, Part B	553	84.287	200,000.00		101,943.75	197,623.77	(95,680.02)
Title IV, Part B - Prior Year	799	84.287		(114,098.53)	114,098.53		0.00
IDEA-B Discretionary	613	84.027	5,000.00			4,390.55	(4,390.55)
IDEA-B ECHO - Prior Year	799	84.027		(814.25)	814.25		0.00
IDEA-B Flow Through	621	84.027	820,343.98			820,343.98	(820,343.98)
IDEA-B Flow Through - Prior Year	799	84.027		(829,363.24)	829,363.24		0.00
IDEA-B Flow Through - ARRA	622	84.391	154,010.99		35,279.31	154,010.99	(118,731.68)
IDEA-B Flow Through - ARRA - Prior Year	799	84.391		(207,091.16)	207,091.16		0.00
IDEA-B Early Intervention - ARRA	624	84.391	14,751.84		14,751.84	14,751.84	0.00
IDEA-B Early Intervention - ARRA - Prior Year	799	84.391		(8,518.19)	2,483.54		(6,034.65)
IDEA-B Flow Through - Private Schools	625	84.027	1,406.00			1,406.00	(1,406.00)
IDEA-B Flow Through - Private Schools - Prior Year	799	84.027		(1,406.00)	1,406.00		0.00
IDEA-B Pre-School	641	84.173	22,915.91			22,915.91	(22,915.91)
IDEA-B Pre-School - Prior Year	799	84.173		(22,995.18)	22,995.18		0.00
IDEA-B Pre-School - ARRA	643	84.393	786.23		786.23	786.23	0.00
IDEA-B Pre-School - ARRA - Prior Year	799	84.393		(13,724.64)	13,724.64		0.00
ABE	731	84.002	58,503.00			56,982.81	(56,982.81)
ABE - Prior Year	799	84.002		(64,790.31)	64,790.31		0.00
JOBS	735	93.558	102,000.00			65,225.95	(65,225.95)
JOBS - Prior Year	799	93.588		(98,702.25)	98,702.25		0.00
SPDG - PBIS	651	84.323	1,682.89			250.00	(250.00)
SPDG - PBIS - Prior Year	799	84.323		(1,844.11)	1,844.11		0.00
SPDG - PBIS	651	84.323	9,039.33			3,169.59	(3,169.59)
SPDG - PBIS - Prior Year	799	84.323		(4,633.67)	4,633.67		0.00
Foundation & Salary Incentive Aid - ARRA	782	84.394	867,889.00		867,889.00	867,889.00	0.00
Education Jobs	790	84.410	740,818.00			740,818.00	(740,818.00)
Sub-total			5,278,623.80	(2,315,455.15)	4,452,914.06	5,074,059.19	(2,936,600.28)
<b>U.S. Department of Education:</b>							
Passed through Oklahoma State Department of Vocational Technical Training							
Carl Perkins	421	84.048	71,719.00			65,762.71	(65,762.71)
Carl Perkins - Prior Year	799	84.048		(69,003.56)	69,003.56		0.00
Carl Perkins High Schools That Work - Prior Year	799	84.048		(5,655.95)	5,655.95		0.00
Sub-total			71,719.00	(74,659.51)	74,659.51	65,762.71	(65,762.71)
<b>U.S. Department of Agriculture:</b>							
Passed Through the State Department of Education							
Food Service Programs - Lunches	385	10.555	1,034,189.02		1,034,189.02	1,034,189.02	0.00
Food Service Programs - Breakfasts	385	10.553	466,048.66		466,048.66	466,048.66	0.00
Food Service Programs - Summer Food	766	10.559	14,781.03			14,781.03	(14,781.03)
Food Service Programs - Summer Food - Prior Year	799	10.559		(14,679.74)	14,679.74		0.00
Fresh Fruit/Vegetable	768	10.582	38,823.91		38,823.91	38,823.91	0.00
USDA Donated Food		10.550	134,603.62		134,225.15	134,225.15	0.00
Sub-total			1,688,446.24	(14,679.74)	1,687,966.48	1,688,067.77	(14,781.03)
<b>Total Federal Assistance</b>			<b>\$7,722,713.13</b>	<b>(2,553,114.26)</b>	<b>6,853,835.87</b>	<b>7,511,813.76</b>	<b>(3,211,092.15)</b>

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

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

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

**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
SCHEDULE OF STATUTORY, FIDELITY, AND HONESTY BONDS  
FOR THE YEAR ENDED JUNE 30, 2011**

Misty Yort – Treasurer  
Employee Dishonesty Bond  
Ohio Casualty Insurance Company - Policy No. 0912642  
\$250,000 Limit  
Effective July 1, 2010 to July 1, 2011

David Harp – Business Manager  
Employee Dishonesty Bond  
Ohio Casualty Insurance Company - Policy No. 0912642  
\$100,000 Limit  
Effective July 1, 2010 to July 1, 2011

Marilyn Bradford – Superintendent  
Employee Dishonesty Bond  
Ohio Casualty Insurance Company - Policy No. 0912642  
\$100,000.00 Limit  
Effective: July 1, 2010 to July 1, 2011

Donna Mills – Activity Fund Custodian  
Employee Dishonesty Bond  
Ohio Casualty Insurance Company - Policy No. 0912642  
\$250,000 Limit  
Effective July 1, 2010 to July, 2011

Employee Dishonesty Bond  
OSIG - Policy No. RCN20100359401  
\$10,000 Limit  
Effective July 1, 2010 to July, 2011

## **INTERNAL CONTROL AND COMPLIANCE REPORTS**

# PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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

EDMOND, OKLAHOMA 73013

(405) 348-3800

Fax (405) 348-7965

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  
Shawnee School District No. 93  
Pottawatomie County, Oklahoma

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Shawnee School District No. 93, Pottawatomie County, Oklahoma, as of and for the year ended June 30, 2011, which collectively comprise the District's financial statements and have issued our report thereon dated February 22, 2012. The report on these financial statements is adverse with respect to the presentation of financial statements in conformity with accounting principles generally accepted in the United States of America because the District has elected to prepare its financial statements in conformity with a regulatory basis of accounting. 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.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose prescribed in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement; we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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.

We noted certain matters that we reported to management of Shawnee School District No. 93 in a separate letter dated February 22, 2012.

This report is intended solely for the information and use of management, the audit committee and others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, though restricted in use, this report is a matter of public record, and its distribution is not limited.

*Putnam & Company*

Putnam & Company, PLLC

Edmond, Oklahoma  
February 22, 2012

# PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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

EDMOND, OKLAHOMA 73013

(405) 348-3800

Fax (405) 348-7965

Report on Compliance with Requirements Applicable to Each Major Program  
and Internal Controls over Compliance In Accordance with  
*Office of Management and Budget Circular A-133*

The Honorable Board of Education  
Shawnee School District No. 93  
Pottawatomie County, Oklahoma

## ***Compliance***

We have audited the compliance of Shawnee School District No. 93, Pottawatomie County, Oklahoma with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of District's management. Our responsibility is to express an opinion on District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination of District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

## ***Internal Control Over Compliance***

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

A *control deficiency* 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A *material weakness* is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the School Board, management, federal awarding agencies, pass-through entities, all applicable state agencies, and those other Governments from which financial assistance was received, and is not intended to be, and should not be, used by anyone other than these specified parties.

  
Putnam & Company, PLLC

Edmond, Oklahoma  
February 22, 2012

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



**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**Section I – Summary of Auditors’ Results**

***Financial Statements***

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

Internal control over financial reporting:

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

Noncompliance material to financial statement noted?  Yes  No

***Federal Awards***

Internal control over major programs:

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

Type of auditors’ report issued on compliance for Major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of OMB Circular A-133?  Yes  No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.010	Title I
84.027	IDEA Flowthrough
84.173	IDEA Preschool
84.394	Foundation & Salary Incentive ARRA
84.410	Education Jobs
10.555, 10.553, 10.550, 10.559	Food Service
84.041	Impact Aid

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee?  Yes  No

**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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

None

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

N/A

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

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

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

N/A

**ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT**

Shawnee School District No. 93  
Pottawatomie County, Oklahoma

Schedule of Accountants' Professional Liability Insurance Affidavit  
For the Year Ending June 30, 2011


STATE OF OKLAHOMA )  
 ) ss  
County of Oklahoma )

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in Accordance with the "Oklahoma Public School Audit law" at the time of audit contract and during the entire audit engagement with Shawnee School District No. 93 for the audit year 2010-2011.

Putnam & Company, PLLC

  
\_\_\_\_\_

Subscribed and sworn to before me on this 22<sup>nd</sup> day of February, 2012.  
My commission expires on 4<sup>th</sup> day of June, 2015.

  
\_\_\_\_\_  
Notary Public  
Commission No. 03003504



## **MANAGEMENT LETTER AND COMMENTS**

# PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS  
169 S.E. 32ND  
EDMOND, OKLAHOMA 73013  
(405) 348-3800  
fax (405) 348-7965

February 22, 2012

The Honorable Board of Education  
Shawnee School District No. 93  
Pottawatomie County, Oklahoma

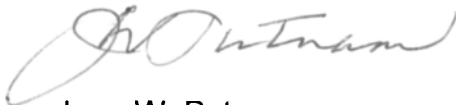
We have audited financial statements of Shawnee School District No. 93, Pottawatomie County, Oklahoma, as of and for the year ended June 30, 2011, as listed in the table of contents, and have issued our report thereon dated February 22, 2012. As a part of our audit, we made a study and evaluation of the District's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However, during our audit we became aware of some matters that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated February 22, 2012 on the financial statements of Shawnee School District No. 93.

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

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

Sincerely,



Jerry W. Putnam

**SHAWNEE SCHOOL DISTRICT NO. 93  
POTTAWATOMIE COUNTY, OKLAHOMA  
MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**PRIOR YEAR'S COMMENTS AND RECOMMENDATIONS**

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

**CURRENT YEAR'S COMMENTS AND RECOMMENDATIONS**

We reviewed expenditures from the District's General Fund, Building Fund, Child Nutrition Fund, Gift Fund, Unemployment Fund, and Bond Funds, and we found the supporting documentation to be very good. However, we noted the following during our review:

<b><u>Finding</u></b>	<b><u>No. of Instances</u></b>
Invoice Date Before P.O. Date	2
Did Not Sign For Goods/Services	1
Paid Sales Tax	1

**REVIEW OF ACTIVITY FUND TRANSACTIONS**

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

<b><u>Findings</u></b>	<b><u>No. of Instances</u></b>
Paid From a Vendor's Statement	1

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

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