

City of Yukon, Oklahoma



FORENSIC REPORT
January 13, 2025

Prepared by:



North American Forensic Accounting LLC
3461 Market Street
Suite 101
Camp Hill, PA 17011
(717) 273-8626

The City of Yukon, Oklahoma



January 13, 2025

City Council of Yukon, Oklahoma
Attn: Mayor Pillmore
500 W Main Street
Yukon, OK 73099

Re: Forensic Review City of Yukon, Oklahoma

Dear City Council:

North American Forensic Accounting LLC (“NAFA”) was engaged to perform forensic accounting services to review specific areas of concern and execute procedures to identify other areas of potential risk to the city. The specific areas of concern and other risks identified were to be reviewed to identify deficiencies in governance, internal controls, operational oversight and possible malfeasance. Our procedures included obtaining an understanding of the organization’s governance, internal controls, and processes as well as interviewing current and former employees, performing detailed reviews of certain accounting records and related documents and evaluating other qualitative and quantitative information to form an opinion regarding assertions related to this case and preparing this Forensic Report.

Our services were performed in accordance with the American Institute of Certified Public Accountants (“AIPCA”) Statements on Standards for Forensic Services and do not constitute an engagement to provide audit, review, compilation, or attest services as described in the pronouncements on professional standards issued by the AICPA. These forensic accounting services were also performed in accordance with the Association of Certified Fraud Examiner’s Standards of Professional Conduct and applicable standards set forth by the National Association of Certified Valuators and Analysts.

This report may not be disclosed, copied, published, or used, in whole or in part, without the prior permission of North American Forensic Accounting LLC except as ordered by legal process or court of competent jurisdiction. We reserve the right to modify our report when and if additional information becomes available, or when and if we deem it necessary to do so.

North American Forensic Accounting LLC

A handwritten signature in black ink, appearing to read 'Michael Breon', is written over a light blue horizontal line.

Michael Breon CPA, CFE, CIA, MAFF, MBA
Partner

TABLE OF CONTENTS

	Page(s)
EXECUTIVE SUMMARY	
FORENSIC REPORT	1 - 29
APPENDIX A – SOURCES OF INFORMATION RELIED UPON IN THIS REPORT	30
APPENDIX B – FEE ARRANGEMENTS & LIMITING CONDITIONS	31
APPENDIX C – QUALIFICATIONS OF EXPERT	32
APPENDIX D – SEGREGATION OF DUTIES DIAGRAM	42
APPENDIX E – EXCERPTS FROM CITY CHARTER	43
APPENDIX F – CITY OF YUKON ORGANIZATIONAL CHART	44
APPENDIX G – JUNE 30, 2023 BANK RECONCILIATION (COVER PAGE)	45
APPENDIX H – VACATION PAYOUT FORMER CITY MANAGER	46
APPENDIX I – YCSF DIVERSION OF FUNDS & STORAGE BUILDING	47
APPENDIX J – INVESTIGATION MEMO CITY MAYOR	67
APPENDIX K – PERSONAL USE OF CITY VEHICLE (TAX IMPACT)	68
APPENDIX L – ANOMALIES IN FUELMASTER LOGS	69
APPENDIX M – VACATION ACCRUAL / EMPLOYEE HANDBOOK	71
APPENDIX N – SELECT 2015 FINANCIAL STATEMENT AUDIT FINDINGS	74
APPENDIX O – SELECT 2015 FORENSIC AUDIT FINDINGS	78
APPENDIX P – SCHEDULE OF POLICE PEST ACCOUNT ACTIVITY (5/24 – 10/24)	79
APPENDIX Q – 2022 – 2023 BUDGET ANALYSIS	82

EXECUTIVE SUMMARY

North American Forensic Accounting LLC (“NAFA, “Our”, or “We”) has performed a forensic review for the City of Yukon, Oklahoma. The scope of our review was initially limited, however as described in the report, quickly grew as we gained an understanding of the city’s history, organizational culture, tone of former leadership, lack of policies and internal controls, failure to implement sufficient corrective actions related to past audit findings, discontinuation of the city’s concern line, apparent lack of investigation into serious allegations against former employees, and reliance on undocumented policies to name a few.

Although critical city services are being provided without risk of interruption regardless of the serious administrative findings identified, a testament to the hard work of the majority of city workers, these critical findings and unmitigated risks continue to put the city at risk financially. Our review identified concerns that caused us to reevaluate our assessment of risk and our approach. Some of these concerns included matters that spanned 30 years or more. There were concerns about the poor tone set by management where employees felt that “as an employee you don’t question anything”. Other matters that stood out as it related to organizational tone were the reports of inappropriate relationships occurring on city property during city time that were dismissed as rumors and hearsay without any evidence of proper investigation. Such a poor organizational tone negatively impacts an organization’s performance, it also increases risk. Our interviews suggested that this poor organizational culture (tone) is pervasive throughout the city. Based on the pervasiveness of the poor organizational culture, it is our conclusion that the city did not reach this state quickly and stems from years of poor leadership and mismanagement.

Because of the breadth and pervasiveness of the issues identified, it is not possible to recount every detail of every finding in this report, but this report presents details related to the most critical matters identified. Additionally, some of the allegations and matters identified are so egregious they are simply inappropriate to publicly publish. In addition to this report, we will make ourselves available to management and any other agency in order to transfer the details of our work as necessary for future follow-up.

Throughout this report we also noted other areas of concern which we could not cover due to time constraints but require additional investigation.

This report outlines key findings requiring immediate attention, with the following examples of the most material and impactful issues:

Governance and Policies

- The City lacks foundational governance documents, including a **Code of Conduct**, **Code of Ethics**, and **Conflict of Interest Policy**, resulting in unclear standards for accountability and behavior.
- Employee concerns have been dismissed without adequate investigation, including allegations of misconduct on city property.

Financial Management and Internal Controls

- **Failure to implement prior audit recommendations**, including incomplete cash reconciliations, inadequate fixed asset controls, and missing internal control documentation.
- Significant anomalies in **budgeting and fund transfers**, including unauthorized fund transfers and inappropriately filed budget amendments with the Oklahoma State Auditor.

Misuse of City Funds and Assets

- **Diversion of \$185,000 in City funds** to the Yukon Community Support Foundation without proper authorization or transparency.
- **Misreporting of personal income earned from the personal use of city vehicles and allegations of the use of fuel in personal vehicles** supported by irregular fuel usage patterns and testimony from employees and **inappropriate personal use of city personnel and assets** by senior officials.

Payroll and Human Resources

- Overpayment of \$34,895 in vacation benefits to a former city manager, based on undocumented practices.
- Absence of formal investigative policies for employee concerns, with whistleblower mechanisms and complaint lines being discontinued.

Procurement and Vendor Management

- **Lack of regular updated competitive bidding** for high-spend vendors, some of whom have maintained long-term relationships.
- Missing bidding documentation for significant contracts, highlighting deficiencies in oversight and transparency.

IT and Record-Keeping

- Critical gaps in **IT controls**, including no audit trail for digital archives (Laserfiche), lack of badge swipe tracking for physical access, and no server or network activity logging.
- Delays in ordinance codification and incomplete documentation in official systems, contributing to legal and compliance risks.

Public Employee Sales Tax (PEST) Funds

- **Ambiguity in PEST fund usage**, including unexplained monthly draws into the General Fund, which were not sufficiently documented or authorized.

These findings reflect a pervasive breakdown in accountability, governance, and oversight, with many issues exacerbated by the failure of past management to address red flags and act decisively. The City's history of poor documentation, inadequate policies, and resistance to oversight has compounded risks to public trust and financial integrity.

Knowledge of many of these matters by current and former management personnel is of great concern. Failure to act on these matters would seem to substantiate the "as an employee you don't question anything" culture facilitated historically by the highest levels of city management. This was a contributing factor in the severity and duration of the findings outlined herein.

As pointed out in this report, additional work in many areas is required to understand the impact on the city financially as well as the impact on its current and former employees. There is no quick fix for some of these issues, particularly the impact on the organizational culture and the either real or perceived harm that come from past misdeeds.

NAFA will provide our full support, including access to documents, witness statements, employee emails, etc. to facilitate remedying the problems described in this report.

FORENSIC REPORT

BACKGROUND

On September 4, 2024, the City Council of Yukon, by way of City of Yukon Resolutions 2024-23 and 2024-24, engaged and authorized North American Forensic Accounting LLC to “conduct a forensic review of the City’s financial operations, with specific focus on, but not limited to:

- (1) Cash Transaction Reconciliation: Examination of cash transactions to ensure proper accounting, reporting, and safeguarding of city funds.
- (2) Filed Budget vs. Actual Expenditures and Budget Amendments Review: Detailed analysis of budgeted versus actual expenditures and revenues, including the review of any budget amendments to ensure compliance with City Council-approved appropriations.
- (3) Fund Transfers: Review of all transfers between funds to verify their authorization, accuracy, and proper recording in the City's financial statements.
- (4) Ordinance Codification: Review all ordinances that have been passed by the Yukon City Council and determine whether they have been recorded and codified properly.
- (5) Additional Procedures: As necessary interviews of individuals with firsthand knowledge of activities and transactions relevant to the scope of the review.”

North American Forensic Accounting personnel performed the majority of our fieldwork between September 11, 2024 and December 20, 2024. Fieldwork was completed both onsite and remotely with the NAFA team being onsite for interviews, meetings and document collection for 20 days. The results of our work are summarized in this forensic report.

FORENSIC AUDIT VS. THE ANNUAL FINANCIAL STATEMENT AUDIT

There is a significant difference between a forensic audit (review) and the annual financial statement audit. Many believe that the annual financial statement audit will identify gaps in internal controls and all forms of malfeasance including fraud. Unfortunately, that misconception is far from reality. In fact, this misunderstanding is quite common and is referred to as the “expectations gap”.

The differences between an Annual Financial Statement Audit and a Forensic Audit or Review are explained below. Note that this is a general overview and certain elements in the definitions below can vary based on the nature of each engagement.

Objective

Financial Statement Audit: To provide an independent opinion on whether an organization’s financial statements are presented fairly, in all material respects, in accordance with a particular financial reporting framework (e.g., GAAP or IFRS). This includes assessing the overall accuracy and completeness of financial records, with a goal of providing assurance to shareholders, creditors, and other stakeholders.

Forensic Audit: To evaluate specific concerns with processes, effectiveness of internal controls, management oversight, and identify possible malfeasance. This includes identifying, uncovering, and

documenting irregularities, potential criminal activity, or intentional misstatements. The results of a forensic audit may be used as evidence in legal proceedings.

Scope

Financial Statement Audit: Covers the entire set of financial statements (including the footnotes) over a defined period (usually a fiscal year) and follows audit standards set by regulatory bodies. While auditors remain alert for potential fraud, their primary objective is not to uncover every instance of fraud but rather to verify the reliability of the financial statements as a whole. Additionally, although the auditor needs to gain an understanding of internal controls and to a certain extent governance, they do not need to rely on them to perform the audit.

Forensic Audit: Narrow or targeted in scope directed at specific transactions, areas, or allegations where wrongdoing is suspected or where deeper analysis is required. This approach may involve interviews, document analysis, and other investigative techniques. The forensic audit is not regularly occurring and is often triggered by a tip, red flags or regulatory inquiry.

Approach and Methods

Annual Financial Statement Audit: Uses sampling techniques and risk-based assessments to evaluate the likelihood of material misstatements. It follows standardized auditing procedures, such as evaluating internal controls and testing the accuracy of account balances. The financial statement audit focuses on obtaining “reasonable assurance,” not absolute certainty.

Forensic Audit: Investigative in nature employing techniques such as detailed transaction testing, asset tracing, data analytics, and forensic technology to spot irregularities. Gathers and preserves evidence to support legal or disciplinary action. May involve working with law enforcement and legal teams.

Reporting and Outcomes

Annual Financial Statement Audit: Results in an audit opinion (unqualified, qualified, adverse, or disclaimer) on the financial statements. Includes financial statements which are in a prescribed format.

Forensic Audit: Results in a specialized forensic report detailing the findings, evidence collected, and conclusions regarding the areas, processes, and transactions defined in the scope.

FORENSIC ACCOUNTING APPROACH

When conducting a forensic accounting engagement such as this, NAFA applies the approach described below. The first step is to evaluate the organization’s overall governance. Second, we assess what internal controls are in place and their effectiveness. The internal control assessment provides insight into where vulnerabilities could exist within the organization and where possible malfeasance could take place. This understanding is layered on top of specific areas of concern unique to each client. We then drill down into areas or processes where we have identified high levels of risk based on our assessments. Our results are then compiled, and the facts are expressed in the form of a forensic report.

Governance

Organizational governance refers to the system of rules, practices, and processes used to direct and control an organization. It encompasses the frameworks and policies that define roles, responsibilities, and decision-making authority to ensure accountability, transparency, and alignment with the organization's goals. Governance typically involves key stakeholders such as the city council, executive leadership, and other internal or external entities who influence or oversee the organization's performance and compliance with laws and ethical standards. Effective governance ensures that an organization operates efficiently, responsibly, and sustainably while managing risks and meeting the expectations of stakeholders, employees, citizens, and the broader community.

We evaluate an entity's policies and procedures as well as adherence to them. For example, we determine if an organization has a code of conduct, conflict of interest policy, and code of ethics. We also assess the involvement of the City Council and City Manager and consider not only communication from the top down but also from the bottom up. Communication is an extremely important part of organizational governance.

Internal Control

Internal controls are the policies, processes, and procedures implemented by an organization to ensure the integrity of financial and operational information, promote efficiency, safeguard assets, and comply with laws and regulations. These controls are designed to manage risks and provide reasonable assurance that the organization's objectives will be achieved in areas such as financial reporting, operational effectiveness, and compliance.

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) defines internal control as:

"A process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations.
- Reliability of financial reporting.
- Compliance with applicable laws and regulations."

Internal controls can include preventive measures (e.g., segregation of duties (see Appendix D), access controls) and detective measures (e.g., reconciliations, audits) and are essential to good governance and risk management.

We evaluate an entity's internal controls to identify gaps which could be exploited for nefarious reasons. Identifying these gaps helps us determine where to look for potential malfeasance.

Evaluate Risk & Red Flags of Malfeasance

Red flags of malfeasance including fraud are warning signs or indicators that suggest the possibility of wrongdoing within an organization. While they don't guarantee that wrongdoing is occurring, these signals often prompt further investigation. Red flags can be grouped into three broad categories: behavioral, organizational, and transactional.

Behavioral Red Flags

These relate to unusual actions or characteristics of individuals that may suggest malfeasance is occurring:

- Living beyond means: Excessive spending or a lifestyle inconsistent with known income
- Unexplained financial difficulties: Personal financial problems or significant debts
- Reluctance to share duties: Insisting on keeping complete control over tasks or resisting oversight
- Unusual behavior changes: Stress, defensiveness, or secretive actions at work
- Rationalizing unethical behavior: Expressing justification for questionable practices (e.g., “I deserve this,” or “Everyone does it.”)

Organizational Red Flags

These relate to weaknesses in internal controls or the environment that may facilitate malfeasance:

- Poor organizational culture: Poor tone at the top and in some cases throughout.
- Lack of segregation of duties: One person having control over multiple aspects of a transaction (e.g., approving payments and recording them). See Appendix D.
- Inadequate oversight: Poor governance, weak management involvement, or absent supervision.
- High employee turnover: Frequent departures can indicate dissatisfaction or poor culture.
- Unrealistic performance targets: Pressure to achieve results that seem unattainable may encourage manipulation.
- Complex or poorly documented processes: Malfeasance thrives in disorganization and opacity.

Transactional Red Flags

These are anomalies or inconsistencies in financial or operational data:

- Unusual transactions: Payments to unknown vendors, duplicate payments, or round-dollar amounts.
- Unreconciled accounts: Discrepancies between records and actual assets
- Missing documents: Invoices, receipts, or records that are intentionally absent or falsified.
- Altered or forged documentation: Signs of tampering with financial or operational records.
- Frequent adjustments or journal entries: Particularly those made at odd times or with vague explanations.

Red flags do not confirm malfeasance but serve as critical cues for organizations to act proactively and mitigate potential risks.

In addition to these red flags, we consider and apply the “Fraud Triangle”.

The Fraud Triangle is a model developed by criminologist Donald Cressey to explain the factors that lead individuals to commit fraud. It highlights three key elements that usually are present for fraud to occur: pressure, opportunity, and rationalization. Understanding this framework is essential for identifying and mitigating the risk of fraud in organizations.

Pressure: This refers to the motivation or incentive to commit fraud, often stemming from financial difficulties, job dissatisfaction, or external pressures. Common examples include personal financial struggles, unrealistic performance goals, or the need to meet stakeholder expectations. Pressure creates the perceived need for an individual to take unethical or illegal actions to resolve their situation.

Opportunity: Opportunity arises when an individual believes they can commit fraud without being detected or punished. Weak internal controls, ability to override controls, lack of oversight, or a culture of lax accountability often provide the environment for opportunities. For example, poor segregation of duties or ineffective monitoring can make it easier for someone to manipulate records, misappropriate assets, or engage in fraudulent activities.

Rationalization: Rationalization is the process by which an individual justifies their unethical behavior to themselves. This might involve convincing themselves that malfeasance or fraud is a temporary solution, that they deserve the money due to underappreciation, or that the organization "owes" them. Without rationalization, most people would struggle to reconcile their actions with their ethical standards.

Specific Concern(s)

As mentioned in the Background Section, the initial areas of scope included:

- Cash Transactions & Reconciliations
- Budgeting & Fund Transfers
- Ordinance Codification

Adjustments to Scope based on the Assessment of Risk

The scope of our work was adjusted as we progressed through our forensic process. These changes were made based on our observations described in the governance, internal control and red flags sections below. The observations below were made in conjunction with our assessment of the city's processes and interviews with employees as well as other information gathered throughout our engagement. The applicability of the issues cited below are tied either directly or indirectly to matters described in the Analysis section of this report. Note that the matters highlighted below can fall into more than one category (e.g. governance, internal control, red flags).

Governance

- Lack of common overarching standards for City employees such as a Code of Conduct, Code of Ethics, and Conflict of Interest (this does not necessarily apply for union employees)
- Lack of a "Concern Line" where City employees and vendors can express concerns for follow up and possible investigation
- Several City employees are or were related such as husband/wife and parent/sibling for example. Although there are policies in place addressing this, because of the levels of some of these individuals, bias would be hard to eliminate even if there was not a direct reporting relationship

The City of Yukon, Oklahoma

- Findings from prior audits and forensic audits not addressed or fully addressed
- Lack of an investigative process including safeguards to ensure that investigations involving related or conflicted persons employed by the city are not routed to a conflicted individual for investigation
- Significant concerns and allegations not being adequately investigated
- Senior level management failing to lead by example e.g. transmitting both hardcore pornographic materials and pornographic materials to city employees via city email

Internal Controls

- Lack of internal control documentation
- Basic internal controls such as cash reconciliations not being sufficiently performed (e.g. not performed completely and not reviewed)
- Segregation of duties issues due to turnover and the need to evaluate the flow of transactions
- General lack of financial review, in the past, most financial transactions were handled solely by the City Treasurer without review
- Lack of critical IT controls (e.g. lack of audit trail for digital archive Laserfiche, lack of recording of physical access e.g. badge swipes to facilities, lack of server logging e.g. user logins, internet logs, etc.)
- Due to the decentralized nature of operations, internal controls over areas such as cash collections, purchasing, and fixed assets varied by department with no central oversight or review

Red Flags

- Abrupt turnover of former City Treasurer as well as turnover of the City Manager
- Identification of the Yukon Community Support Foundation, a separate not for profit organization, which was included in the city's accounting system
- Relationships with large vendors spanning years and in some cases decades without competitive bids or understanding of how a vendor could continually win bids
- Difficulty finding documentation in the city's online file system (an issue also voiced by city employees and the independent external auditor)
- Missing fuel records & fuel user account as well as limits on historical payroll records for a specific individual of interest
- Fear of retaliation for voicing concerns or contrary views to senior level management. Comment by employees & repeated throughout various conversations pertaining to the work culture "As an employee you didn't question things"
- Senior level management was involved in all decisions, not allowing city employees to perform their job duties without interference
- An underlying tone from some city employees of "only give the auditor exactly what they ask for, nothing more"
- During our interviews two common concerns were noted. The first was the lack of employee training. The second was lack of communication between City Hall and Departments

Upon consideration of the factors cited above and others developed while performing our work, we recommended additional areas be added to the Scope of the project and the timeframe associated with some areas under review was expanded as far back as 1994 and beyond where applicable and when records were available. The additional scope primarily included the following:

- Relationship between the City of Yukon and the Yukon Community Support Foundation

The City of Yukon, Oklahoma

- Select payroll and human resources areas including but not limited to payouts for accrued vacation time while in service and upon termination and processes related to the intake of employee concerns, how they are investigated and their resolution
- Relationship between the City of Yukon and vendors including trends in competitive bidding
- Status of past financial audit recommendations and prior forensic audit findings
- Historical payouts from PEST funds into the City's general fund

Understand Processes, Perform Interviews and Testing

We leveraged our evolving understanding of the organization's overall environment while performing initial assessments of areas and processes. Once we attained sufficient understanding we interviewed employees with firsthand knowledge of the process. After our evaluation of documentation and employee interviews, where applicable, we designed tests to evaluate controls and/or identified specific transactions for further analysis or investigation. Our results of these tests and observations are detailed below in the Analysis section of this report.

Our observations, testing and analysis was based on large amounts of data and documentation from both InCode, the City's accounting program, Laserfiche the City's online document repository, Municode, the City's online ordinance repository, bank statements (online), employee emails, FuelMaster, the City's fuel tracking database, and paper documents obtained from various locations throughout the city.

Managing Expanded Scope

Due to time constraints not all paper and electronic information identified as being potentially relevant to our review were able to be examined. Because of the volume of information and data obtained, a deep comprehensive analysis of every area of risk was not feasible in the allotted time. However, within each area identified above, we were able to identify anomalies and highlight specific transactions or events occurring with a focused review of the period 2020 through 2024 with sporadic reference to matters and documents covering those matters over a period of 30 years that are indicative of or suggest potential malfeasance, violation of policy, mismanagement of public funds, abuse of authority and/or systemic failures in oversight.

We recommend further independent analysis of the following areas which we believe to be **critical**.

- **Perform a full payroll audit** including detailed analysis of vacation and sick time accruals and payouts for all employees.
- Perform a detailed **forensic audit of all activity between the City of Yukon and the Yukon Community Support Foundation**.
- Perform additional forensic procedures related to the **procure to pay business cycle including but not limited to competitive bidding**, adherence to policies (e.g. possible splitting of transactions), and credit card activity
- Perform a **comprehensive review of the City's Information Technology Security and Monitoring capabilities** as well as related employee IT policies.

ANALYSIS

1. Status of Past Financial Audit & Forensic Audit Findings

During our interviews we learned that there were numerous significant issues identified related to accounting, budgeting and compliance matters during 2015. We obtained the associated forensic report and the reissued 2015 financial statements to better understand how this could impact the current forensic engagement (see Appendix N & O for findings and excerpts of these reports). Due to time constraints, we were not able to explore whether all 2015 findings were remediated adequately. We identified findings from 2015 that were not addressed, not addressed adequately, and/or no evidence exists as to the final disposition of the finding(s). Specifically, we identified the following.

Findings (see Appendix N & O)

Financial Audit or Forensic Report	2015 Finding	Analyzed in 2024 Review	Status	Risk
Financial – 2015-1	Cash Account Reconciliations	Y	Inadequate	High
Financial – 2015-2	Accounting for Debt Activity	N	-	-
Financial – 2015-3	Accounting for and Tracking Capital Assets	Y	Inadequate	Medium
Financial – 2015-4	Competitive Bidding	Y	Additional Procedures Recommended	High
Financial – 2015-5	Deficit Fund Balances	Y	Inadequate – At a minimum this was a finding in the 2023 financials. Additional Procedures Recommended	Medium/High
Financial – 2015-6	Budget Deficits	Y	Inadequate. Additional Procedures Recommended	Medium / High
Financial – 2015-7	Reserve Fund Use and Administration	N	-	-
Finding 3	Internal Control Deficiencies – Findings similar to those above	Partially	Inadequate / Additional Procedures Recommended	High
Finding 4	Unsupported Transfers from Public Employee Sales Tax Accounts (PEST) – Among other findings generally referenced above	Y	Additional Procedures Recommended	Medium / High

Finding 6	Concerns or allegations outside of the Scope	Partially	Additional Procedures Recommended	High
-----------	--	-----------	-----------------------------------	------

2. General Accounting

During our initial calls with the City Clerk and members of the Finance team on October 31, 2024 it was revealed that the city’s internal control documentation was outdated and that there was an effort being made to bring the documentation up to date. This was corroborated by the City’s independent auditor during a call the prior day on October 30, 2024 and subsequent review of the internal control questionnaires submitted by City staff to the independent auditors. Additionally, the city staff was unable to produce any financial policies, other than a purchasing policy and a Cash Handling Policy dated August 2017. Examples of policies that were absent (not all inclusive) include a policy related to account reconciliations (e.g. timeliness, preparation, and review) as well as policies on accounting and tracking of fixed assets and journal entry preparation and review.

We recommend that a comprehensive review of processes and controls be performed and internal control documentation be updated or created. These policies and controls must be formally documented and staff must be trained on how to implement and maintain them. Staff must be held accountable for their timely execution and follow up on any identified anomalies. If anomalies are identified and escalated but no action is taken, a process for further escalation should be implemented (e.g. an employee concern line or direct line of communication to the City Manager or City Council) without fear of retaliation if reported in good faith.

3. Bank Reconciliations & Transaction Analysis

Bank reconciliations were identified as an issue in prior findings. We randomly selected the June 30, 2023 bank reconciliation for review. Our review identified outstanding checks and deposits in transit which were years old. Our inquiry revealed that the Finance staff had been working on cleaning up the reconciliation and that it was still a work in progress. Upon further investigation, a question arose whether any aged outstanding checks were subject to Oklahoma Unclaimed Property Laws. NAFA contacted the Oklahoma State Treasurer’s Office, Unclaimed Property Division who indicated that the City of Yukon is subject to Unclaimed Property Laws. However, it was noted that there is a special provision for utility deposits, which do not need to be reported to the State as long as related aged checks are properly advertised.

During our review, we noted that the aforementioned bank reconciliation was signed and dated by the City Clerk (Appendix G). During our interview with the Finance Group, which included the City Clerk, it was revealed that the City Clerk does not actually review the details of the bank reconciliations but simply signs and dates them indicating that they were completed. The City Clerk was clear that his role was administrative only (e.g. managing people) as it relates to Finance and that he was not an accountant, that his degree was in management. From a responsibility perspective, this explanation aligns with the job responsibilities of the city’s charter (Appendix E). The reconciliations are the responsibility of City Treasurer who is new to the role as of mid-2024.

Aged reconciling items are a significant risk. This risk can be compliance related (e.g. compliance with unclaimed property laws), but old reconciling items are also a common symptom of fraud. For example, an aged deposit in transit means that money was collected but did not get deposited. Aged reconciling items could also simply be mistakes in the reconciliation due to improper reconciliation procedures. Additionally, in the past the reconciliation process included the use of a general ledger

account in Fund 64 titled Temporary Unreconciled Differences. The use of this account in the reconciliation process is unusual and warrants even further review. Account reconciliations have been an issue since at least 2015 when they were mentioned in the reissued audited financial statements as a finding. This failure in part stems from historical troubles and the lack of resources with sufficient skills and time to thoroughly clean up the reconciliations and implement new procedures.

We recommend that all bank reconciliations be brought up to date and in doing so, aged outstanding checks and deposits in transit need to be investigated. Any outstanding checks that have been reversed via journal entry in the aforementioned clean up process should be evaluated to determine if they should have been reported as unclaimed property. Additionally, an account reconciliation policy should be adopted for all bank accounts as well as other general ledger accounts. This policy should establish who is responsible for preparing the reconciliation and who is responsible for reviewing the reconciliation. Reconciliation sign offs should be indicative of thorough review and only applied once reconciling items have been adequately resolved and documented. This recommendation should also be applied to other accounts in the city's general ledger as deemed appropriate by management sufficiently versed in accounting theory and internal control. To accomplish this, we recommend the city obtain additional resources to remediate the old reconciling items in the appropriate way and identify resources with sufficient skills, knowledge, experience, education and training (SKEET) to implement systemic change to maintain this critical internal control now and in the future.

4. Fixed Asset Tracking & Accounting

Fixed assets were identified as an issue in prior findings. Fixed assets are added and removed from the accounting ledger when either a capital asset purchase is identified through the review of purchase orders or presentation of a vehicle title to the individual who periodically accounts for fixed assets. Fixed assets are removed when notifications are received that the assets have been sold through an auction process or otherwise disposed of.

Based on our interviews we noted that several departments maintain their own fixed asset listing separate from the Finance Department. These lists are not reconciled to the Finance Departments list to identify discrepancies. It was noted that probably the most sophisticated fixed asset tracking system is performed by the Information Technology (IT) Department. IT uses a bar code tagging system to track the city's IT assets and an annual inventory is performed. Again, the results of this process are not linked to Finance and the associated accounting in any way.

We also inquired about the last time a full inventory was performed of city assets. Based on our interviews, it appears that formal physical inventories of city assets have never been performed.

The fixed asset list maintained by Finance should be the most accurate list as it is used for financial reporting purposes. Although not tested, we believe there are differences between the department lists and the list maintained by the Finance Department.

Although this finding is a high risk from an operational and asset security perspective, from a materiality perspective, which is used by the external financial statement auditors, the value of day-to-day city assets pales in comparison to the value of the city's infrastructure. Additionally, the net book value (cost of an asset less depreciation) brings the dollar value down in many cases to zero (fully depreciated). Because of the "relatively" small dollar value, these controls can go largely unaddressed. Regardless of the application of materiality, the city and its management clearly have a duty to safeguard assets and report their value accurately in their financial statements.

We recommend that a formal fixed asset policy be produced that formalizes a process for adding and removing fixed assets from one master list maintained by the Finance Department for financial reporting purposes. This policy should incorporate best practices from departments who are currently tracking their assets (e.g. use of bar coding), however there needs to be a single process for all departments. The tracking of fixed assets should be overseen by the Finance Department.

Periodic full inventories of city assets need to be performed. The frequency of these inventories can be determined by management and may even include some form of inventory rotation. For example, the Parks & Recreation Department could be inventoried every other year with the inventory being led by individuals from the IT department. We believe that the department inventories should be led by members of a different department with the assistance of individuals from the department being inventoried.

In the short term, in addition to formalizing a fixed asset policy, a reconciliation should be performed between the list of assets maintained by the Finance Department and the departments that maintain their own list of assets.

5. Yukon Community Support Foundation

The Yukon Community Support Foundation (“YCSF”) was established in 2001 as a 501(c)(3) organization commonly referred to as a not-for-profit organization. According to their 2001 Form 990 (the tax return filed by not-for-profit organizations which are publicly available) the initial officers consisted of senior city leadership and other city employees as well as at least one prominent city businessperson. The stated purpose on the 2001 return was “Sponsored and funded various events within the City of Yukon in order to enhance the quality of life in the community and to foster involvement and fellowship”. The return also noted that “bookkeeping kept on city of Yukon computer system”.

Throughout the years according to the 990’s available to us, the purpose of the organization evolved and in 2022 was “To provide support to the City of Yukon, OK, its citizens and supporters including but not limited to enhancing the physical facilities of public property, providing education and entertainment, and all other activities benefiting the quality of life in the community. The officers of the organization continued to consist of senior city leadership including one city council member (2022) and other community business leaders and citizens. Although many of the individuals have changed, the composition of officers (e.g. city employees, City Council, and business leaders) has remained consistent.

During our interviews, we identified YCSF as a risk that required additional review. It is unusual for a separate not-for-profit entity to be comingled with a city’s accounting records. The common officers with city leadership and businesspeople were also a concern. No contract for services could be found between the city and YCSF.

Through interviews, review of Form 990’s, and city documentation we learned the following.

YCSF’s primary funding came from an event called Christmas in the Park. Other events were coordinated by YCSF however this is the largest involving the most city resources. Christmas in the Park is a drive-through Christmas experience with extravagant lighted displays. This event has grown over the years to the point that it consumes significant time and money to operate.

The City of Yukon, Oklahoma

As people drive through the Christmas displays, they can make donations. These donations are deposited into the YCSF bank account. According to the 2022 Form 990, revenue (donations) from Christmas in the Park was \$243,934.

Christmas in the Park utilizes considerable city resources. City employees are paid from via city payroll to both set up and work at the event. Additionally, city departments absorb other costs related to preparing and executing the event throughout the year. Based on our discussions with citizens and some city employees, it was their belief that YCSF would reimburse the city for this labor and other costs, including storage costs, which was incorrect.

YCSF received the funds (donations) but the city incurred these costs. The 2022 Form 990 reports expenses of Christmas in the Park as \$469,062, which does not include the cost of city employees or support. Based on the review of YCSF bank records and cancelled checks, most of the expenses went to pay for the Christmas displays used as part of the event. We were unable to determine the actual aggregate cost of Christmas in the Park to the city.

We then examined select large transactions between the city and YCSF. During this process we identified what appears to be the diversion of city funds to YCSF. We identified contracts between the Yukon Municipal Authority and Integris Health, Inc for the lease of advertisement space on the city's water towers. The contracts were executed in 1998, which predates YCSF, 2008, and 2019.

It was discovered that this advertising money did not go to the city but was deposited into the YCSF bank account (see Appendix I). We also obtained an internal city email that directed the diversion to take place (see Appendix I). In total, we identified \$185,000 of diverted Integris advertising funds. We believe it is this type of activity that ultimately funded YCSF's deficit spending (observed in via available Form 990s).

The diverted funds, donations, as well as other money transferred by the city to YCSF over the years was not subject to the city's policies, ordinances, or statute. Of particular note is that YCSF was not subject to the city's purchasing policies. Additionally, YCSF was not subject to constraints on donations to other not-for-profit organizations.

It was also noted that YCSF and Yukon agreed to build two buildings (located on Ash Ave.) in 2017, one of which was to be used to store Christmas decorations. According to City Council minutes and YCSF Board minutes, YCSF was to pay for the building used to store Christmas Decorations (see Appendix I). The buildings were put out for competitive bid by by the city with the winning bid price being \$727,108 (\$463,387 public works building / YCSF building \$263,719) with a total cost after change orders coming to \$755,002.

There is no evidence nor is current city staff aware of YCSF ever paying this amount (\$263,719) to the city. However, we did identify where the YCSF storage building was expanded in 2022 at a cost of \$151,500. We have identified records that indicate that YCSF paid for the addition. We also identified an unusual anomaly when examining the bidding for the expansion. Although there is documentation showing this project was advertised, only one contractor bid on it. Based on our conversations with city employees and citizens, it came to our attention that there are many other companies that provide these types of construction services and that it is unusual that only one company responded.

We recommend that the historical relationship between the City of Yukon and the YCSF be fully reviewed. This includes but is not limited to all transactions between the city and YCSF as far back

The City of Yukon, Oklahoma

as records permit. The city should demand that YCSF provide all records in their possession that detail the use of city funds. Additional policies and controls should be implemented to prevent this type of relationship and financial transactions from happening in the future. If necessary, the city should also explore a legal remedy to recover funds that were improperly transferred.

6. Payroll and Human Resources

General

As noted in our assessment of governance, Yukon does not maintain a Code of Conduct or Code of Ethics for employees. However, it was noted that union employees (Police and fire) do have variations of these depending on their professions. These policies are important for setting the tone of the organization and communicating how the organization expects their employees to act. Throughout the interview process, we were told of “rumors” about inappropriate behavior and relationships occurring on city property and while on city time as well as employees leaving work for personal reasons while remaining on city time. Although somewhat operational in nature we also learned that there was not an adequate performance review process in place for city employees. Lack of a fair system to evaluate employee performance and the corresponding raises can provide the rationalization needed to perpetrate fraud. These concerns led us to review the human resources and payroll area of Yukon.

During our initial analysis we identified that the payroll and human resources areas are combined which poses a classic segregation of duties issue. Organizations should not combine these two functions primarily because it introduces a higher level of fraud risk in that “ghost employees” can be set up via the human resources function and then paid via the payroll function. If these functions remain combined additional monitoring protocols should be implemented. Specifically, a transaction audit report should be periodically reviewed by an independent party within the organization to validate that any changes to variables such as rate per hour or bank account information are properly supported and documented.

Investigations

We inquired as to whether any of the “rumors” communicated to us about an inappropriate “on the job relationship” had ever been reported or investigated. This is when we learned that the city concern line had been discontinued because it became a “tattle line”. It was initially reported that there were no such investigations, and that senior city management would handle any such investigations.

Subsequently, we identified a memo written by the city Mayor (see Appendix J) who decided not to investigate what are believed to be the aforementioned allegation(s). This memo was in the electronic files of the individual who initially told us that they knew nothing about any investigations. We conducted our own investigation into the allegations and through multiple interviews and documentation, which included handwritten notes about the inappropriate sexual encounters found in old storage boxes, were able to identify sufficient reason to perform a full investigation.

We then reviewed the city’s investigation/incident response process and found that the current method is incompatible and insufficient for a municipality the size and complexity of the City of Yukon. A robust investigation process is a critical component of maintaining a fair, compliant, and productive workplace. Its importance extends to legal compliance, employee morale, and the organization’s overall reputation.

There is no current policy or standard on how investigations are to be completed. Having a formal investigation policy in an organization is crucial for several reasons. It ensures that workplace issues, complaints, and conflicts are handled consistently, fairly, and in compliance with laws and regulations. A comprehensive investigation policy level sets how investigations are initiated, conducted, documented, and concluded, ensuring all parties understand what to expect. A good investigation policy addresses how sensitive information will be handled, protecting the privacy of all involved and promoting confidence in the process and in leadership.

Employees are more likely to trust the organization's processes when they see that complaints and investigations are handled professionally and documented properly; a standardized investigation process facilitates that trust.

In the past, city senior leadership was tasked with managing most if not all investigations, from receipt, assignment of investigation, interview, documentation, follow-up, and conclusion. This process raises several red flags and puts the city at risk. The highest-ranking city employee should have oversight into investigations (provided they are not the subject of or otherwise conflicted), but isn't the optimal investigator; traditionally, Human Resources is tasked with the responsibility of conducting investigations, with oversight and guidance from leadership. Reports related to the highest-ranking city employee should be outsourced to an independent organization for investigation. Under no circumstances should someone not trained and experienced in investigations undertake this process.

The incident referred to above resulted in the Mayor at the time writing a memo explaining that a "pre investigation" was performed which concluded that no investigation was required, and the matter was closed. No other documentation from this "pre investigation" process was available. This process is inappropriate and not to the professional standards set by any organization.

In April 2021, approximately 18 months later, during a discussion with management, this individual made similar, specific, credible allegations against the other individual in the dismissed complaint. These incidents, combined with an unrelated adverse employment action against the complainant put the city at risk.

Our review found that there was either no documentation or insufficient documentation related to city investigations. Documented investigation records are critical for ensuring transparency, accountability, and proper handling of workplace issues. Poorly documented cases cause significant risk for litigation and make it very difficult to investigate future matters as there is no historical or precedence available for review.

Furthermore, investigation records can reveal patterns or recurring issues, helping the organization take proactive steps to address root causes. In the event of a lawsuit or regulatory inquiry, documented records provide evidence that the organization took appropriate steps to investigate and address the issue. Accurate and thorough documentation also allows decision-makers to rely on facts rather than assumptions or incomplete information. Investigative records help ensure that similar cases are resolved in a consistent manner, fostering a sense of fairness in the workplace. By maintaining comprehensive and well-organized investigation records, organizations demonstrate their commitment to a fair, transparent, and legally compliant workplace, fostering trust and minimizing risks.

Whistleblower policies and process

As mentioned throughout this report, there is no whistleblower policy or process for employees to adequately make complaints or have protection in the event they do. Interviews with employees highlighted this and many stated that they were not confident or comfortable with making complaints as they feared retaliation and lacked confidence that concerns would be taken seriously.

A whistleblower policy and process are crucial for fostering a culture of integrity, transparency, and accountability in an organization. It ensures that employees feel empowered to report misconduct, unethical behavior, or violations of laws and policies without fear of retaliation. Employees need a venue to have concerns addressed without fear of repercussions and/or scorn.

An anti-retaliation policy must explicitly state that retaliation against whistleblowers is prohibited and outline consequences for violators. This is a critical function as it helps establish employee confidence that concerns will be reviewed, and no consequences will come from voicing legitimate concerns.

A robust whistleblower policy and process is a cornerstone of a healthy and ethical organization. It protects employees, enhances trust, and safeguards the organization from risks, making it a vital element of corporate governance and compliance.

The review also found that when concerns were sent to leadership, occasionally the subject of the concern would be the person tasked with investigating it. This practice is not appropriate and at a minimum, makes any investigation and corresponding action inconsequential and further flames the distrust of employees in the process and leadership.

We recommend the following actions related to the performing investigations.

- Establish and Enforce Investigation Policy
 - Establish requirements for all city investigations
 - Require that the investigator is properly trained and experienced in matters he/she is investigating
 - Enforce an investigation flow where only proper stakeholders are involved; institute a “need to know” policy where only those invaluable in the investigation are permitted to be briefed
 - Require that subjects and/or corresponding individuals named in the complaint are neither permitted to be involved in the investigation nor informed of the complaint
- Require that all city investigations have a minimum set of documents, including:
 - Original allegation
 - Investigator notes
 - All follow-up communications regarding investigation
 - Statement from complainant (if applicable) and related statements from potential witnesses and subject
 - Related documents, evidence, or other key information
 - Copies of related current policies
 - Documentation of resolution and, if appropriate, communication of resolution to the complainant
- Whistleblower policies and process
 - Install a whistleblower communication system, allowing city employees to anonymously report concerns to leadership
 - Implement an anti-retaliation policy protecting any/all whistleblowers from adverse action related to making complaints or concerns

The City of Yukon, Oklahoma

In addition, we recommend that the city adopt a code of conduct, code of ethics and conflict of interest policies. After adoption of these policies, we recommend all employees be trained in the policies and how to report any related concerns.

Payroll / Vacation Payout

As part of our review, we analyzed the vacation payout of a former City Manager. We obtained the employee's contract and payroll records to validate a payout calculation found in their file. The calculation and payment showed that the employee was paid for 1,248 vacation hours. We reviewed the employee's contract and did not find any special verbiage related to vacation payout. The contract states that if not specifically included therein, normal city employee rules would apply.

We discussed this process with the Director of Human Resources who indicated that there is an 800-hour cap on the number of vacation hours that an employee with tenure over 20 years is paid out (Appendix H). However, in the case of City Managers and others the max accumulation of vacation time was being waived. We were not able to find any exceptions to the vacation payout caps in the city policies provided. The Director of Human Resources said that "This has been the directive I have been given throughout my career." When asked if there was any underlying documentation the Director of Human Resources indicated that "There are not any forms or agreements." The rationale for the additional payout and exemption was that these employees did not have the opportunity to take time off.

In this particular case, there appears to be a 448-hour overpayment of accrued vacation (1,248 hours paid – 800-hour cap). This equated to an overpayment of \$34,895 (see Appendix H).

We attempted to determine if this same overpayment occurred during the former employee's first term, unfortunately, the payroll detail was lost for this person during a payroll system conversion. We noted that historical data for some other employees remains for that period in question.

During our review we performed additional limited procedures to see if other employees have been paid out vacation time exceeding documented caps. These procedures showed that vacation overpayments did occur more frequently than in this one instance.

Although not investigated, there were allegations made during our interviews that vacation & sick time related to senior management was underreported or not reported at all.

We recommend that a full payroll audit be conducted to identify irregularities and non-compliance with contractual terms and city policies. Additional controls should be implemented to monitor vacation and sick time use and related accruals particularly pertaining to senior level employees who have limited oversight.

7. Purchasing

Competitive Bidding and Vendor Relationships

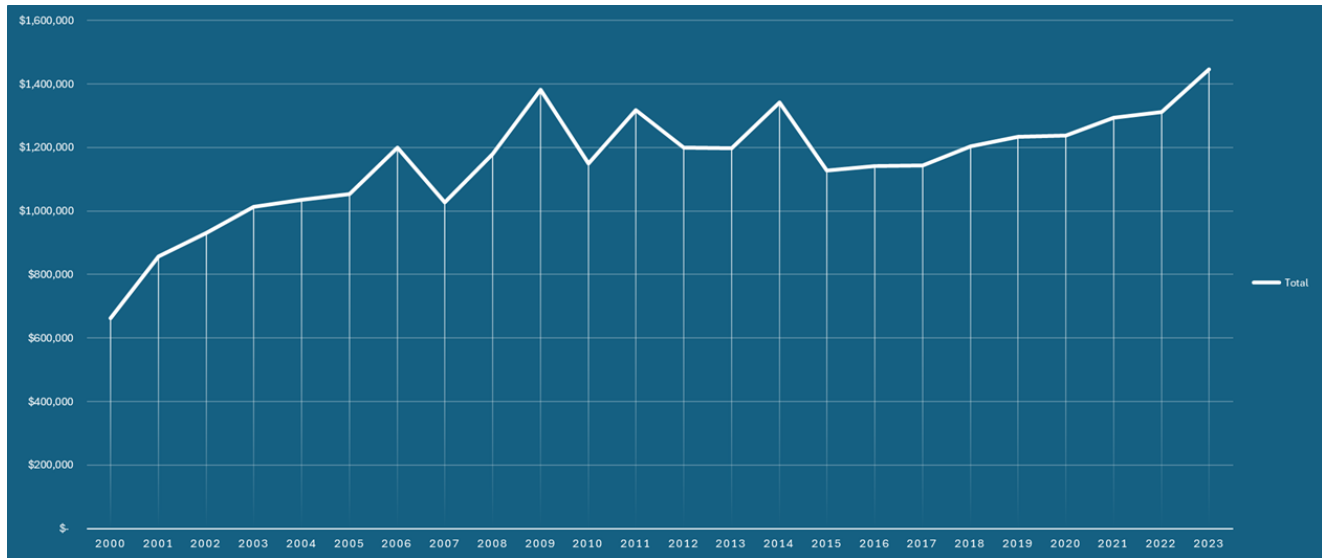
As part of our review, we obtained a list of all expenditures made by the city as well as YCSF as it was included in the city's accounting system (InCode) for the period March 2000 through October 2024. For this analysis we excluded the Miscellaneous Vendors associated with YCSF. We sorted this data by vendor and calculated the total expenditure by vendor. We reviewed this list with City

The City of Yukon, Oklahoma

Council Members and key members of management to identify any unknown vendors. Because of time constraints, we were not able to follow up on all vendors questioned during our meetings.

Using the list of vendors, we reviewed the vendor history related to three active vendors with high levels of historical spend.

The first vendor was paid \$28,987,381 during this period. This vendor's services were procured through a series of long-term contracts. Although we were able to find these contracts, there is no evidence of a competitive bidding process taking place. We have been informed that other companies do provide services like this vendor.



Annual spend of vendor

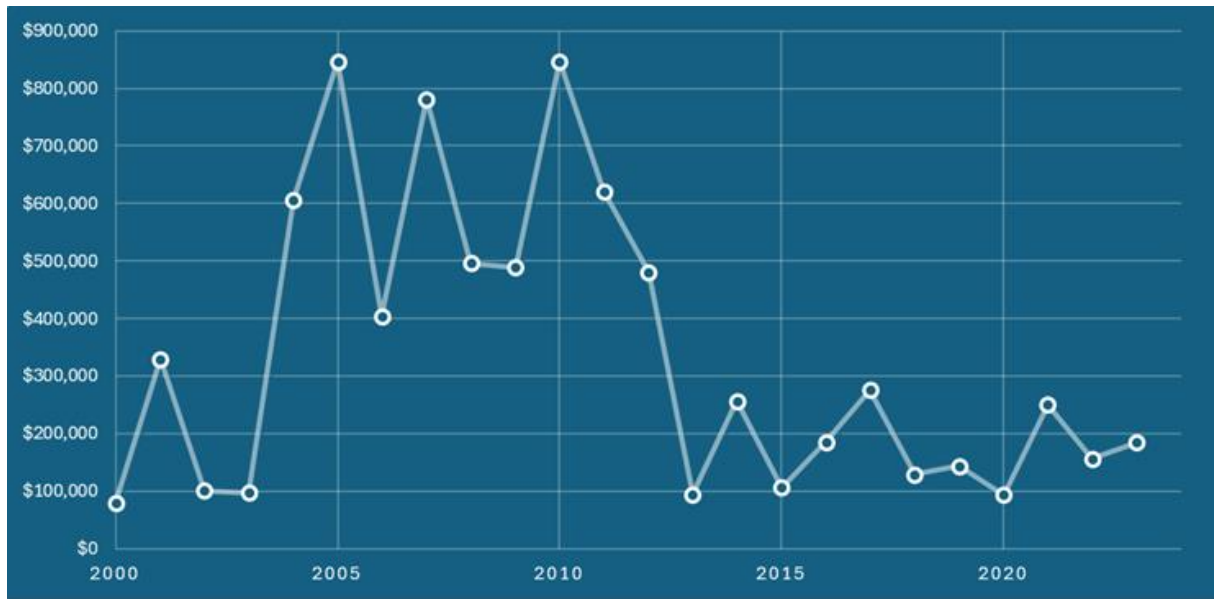
We reviewed the historical payments for this vendor which date as far back as April 2000. Terms of the contract include fees that are recalculated annually throughout the contract period and increase based on the Consumer Price Index.

During our interviews we learned about a possible relationship between an individual associated with this vendor and the former City Manager. Although there is currently no evidence of inappropriate behavior, this relationship when layered on top of no competitive bidding documentation increases the risk associated with this vendor.

It is our recommendation that more frequent competitive bids for high dollar vendors be required. Any sole source vendor exceptions to the bidding requirement should be reevaluated periodically (e.g. every three years). To ensure transparency, any vendor relationship must be fully disclosed. Particularly in this case, we recommend that city management review the vendor's annual rate increase calculations to ensure they comply with the contract.

The second vendor analyzed also has a long history with the city. Between 2000 and 2024, the city spent a total of \$8,930,137 with this vendor. We could not identify any evidence to suggest that competitive bidding for these services were performed since 1992 (in 2023 a competitive bid was put out for a specific project). The services provided are not unique and other providers are in the Yukon / Oklahoma City market.

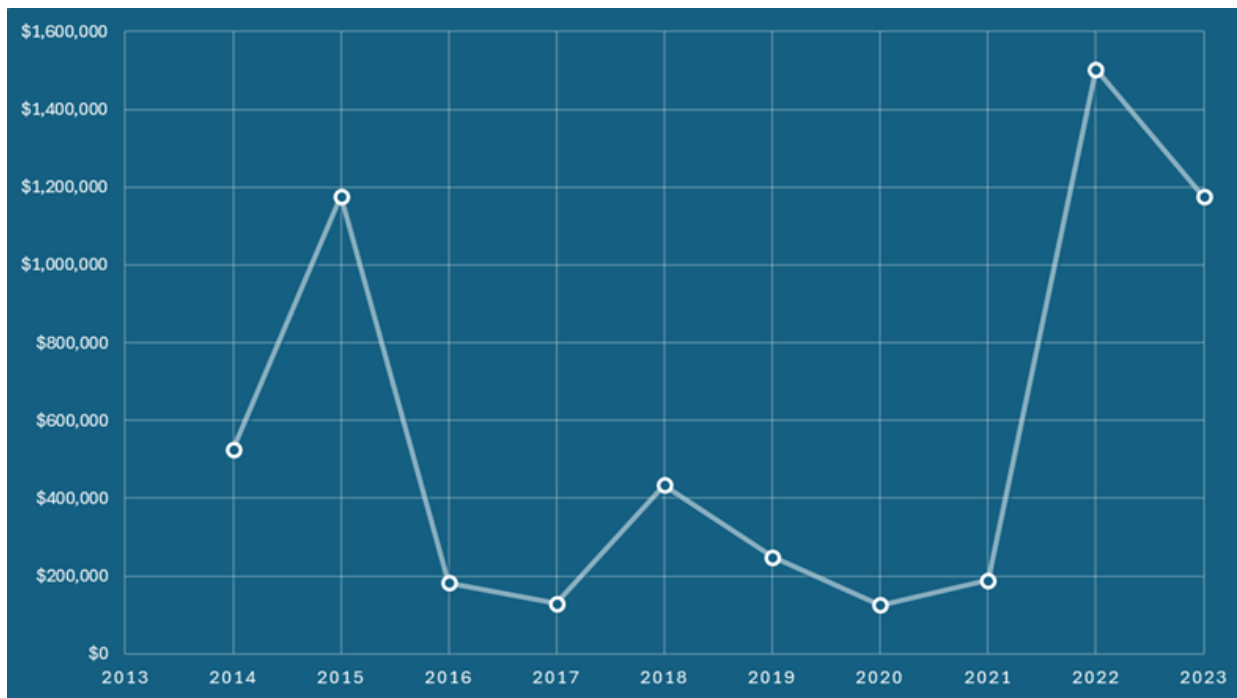
The City of Yukon, Oklahoma



Annual spend of vendor

During our interviews we again heard about possible relationships between owners of this vendor and the former City Manager. Although there is no evidence of inappropriate behavior, this relationship when layered on top of the competitive bidding history increases the risk associated with this vendor.

The third vendor again has a relatively long history with the city. Between 2000 and 2024, the city spent a total of \$6,795,156 with this vendor. There is a documented history of competitive bidding for the services provided, however, over the past several bid periods, this vendor has continually won the bid. We believe that the services being rendered by this vendor to be very competitive, however only a handful of vendors have been submitting competing bids during the recent request for proposal processes.



Annual spend of vendor

The City of Yukon, Oklahoma

During our interviews we again heard about possible relationships between city employees and this vendor. Although there is no evidence of inappropriate behavior, this possible relationship when layered on top of the bidding results increases the risk associated with this vendor.

Based on our findings, we believe that the city's competitive bidding requirements be reevaluated. Specifically, consideration should be given to addressing vendors that have a long relationship with the city and that have not been recently bid. Additionally, bid results should be analyzed for unusual trends e.g. a single vendor winning bids over many years. The city's concern line, if implemented, should also be opened to vendors involved in the competitive bidding process to voice a concern if they feel that the process has been unfair.

Performed Vendor and Payee Analysis

As part of our review, we cross-referenced vendor addresses and phone numbers to employee addresses and phone numbers. We identified some employees that were also set up as vendors, however, after reviewing the matches, it was determined that the payment activity was appropriate.

We reviewed the vendor data obtained from InCode for duplicate payments. Our initial high-level review indicated possible duplicate payments but many of these anomalies were not exact in dollar amounts. Additional time is needed to review invoices to determine if duplicate payments were processed.

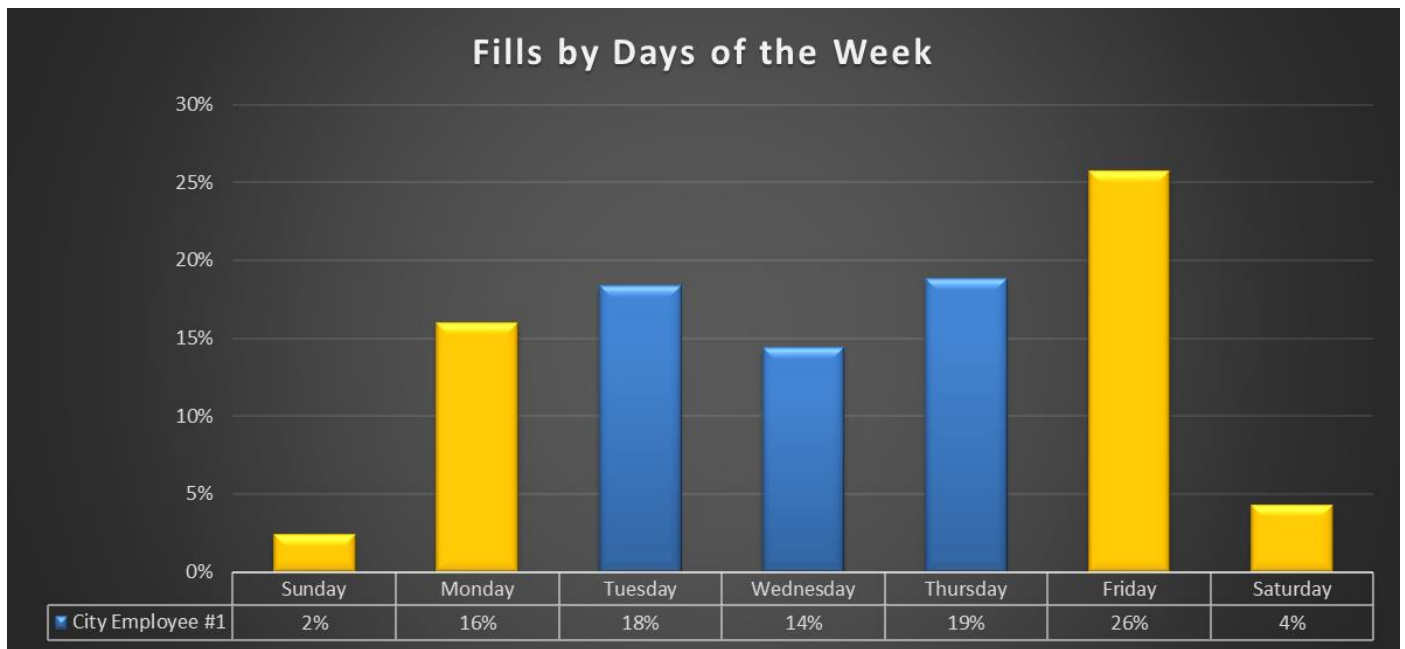
We also performed a review of vendor data for splitting of transaction to circumvent purchasing policy dollar thresholds. Again, our initial high-level review indicated possible splitting of transactions, but additional time would be needed to thoroughly investigate these transactions.

We recommend that a deeper review of the aforementioned transaction be conducted which includes reviewing underlying invoices and contracts. Additionally, we recommend that the city identify and use additional methods to isolate spending anomalies. One of these methods could be as simple as graphing spending by vendor (data visualization) as performed above in this report. Furthermore, we recommend that the city ensure that a right to audit clause is included in each vendor contract.

8. Misreporting of Income for Use of City Vehicle and the Use of Assets and Personnel for Personal Purposes

Income Reported for Personal Use of City Vehicle

Based on the results of our interviews, we reviewed the use of city fuel by senior level city employees. Senior level city employees are allowed to use city fuel for city vehicles and those vehicles are allowed to be used for personal purposes. However, there are tax ramifications of using a personal vehicle in that the proper amount of personal use needs to be factored into a calculation so that the appropriate amount of compensation is reported on their W-2 for tax reporting purposes. In one case, we identified an email claiming that a city vehicle was to be used only 5% for personal use (see Appendix K). Based on our review of the city's FuelMaster logs, we believe the city employee was using the vehicle for personal purposes in excess of the declared 5% and additional taxable compensation should have been reported by the city.



The above graph highlights gas fills by days of the week. The aforementioned employee consistently filled on days before (Friday) and after (Monday) weekends where significant city driving isn't required. Additionally, six percent of all fills during the employee's tenure were done on Saturday and Sunday when no other employees were present. This trend and an example of anomalous data in FuelMaster is included in Appendix L.

In addition to our analytical procedures, we interviewed one individual who indicated that they had observed this same employee fill their personal vehicle at the city's fuel pumps. Other individuals interviewed heard about this individual filling personal vehicles but had not personally observed it.

We recommend that management monitor the FuelMaster logs to identify abuse of city fuel privileges in a timely manner. Additionally, management should enhance protocols to ensure the variables used for calculating income for tax purposes related to the personal use of city vehicles are accurate and updated as necessary throughout the duration of employment with a city vehicle.

Use of City Employees on City Time for Personal Purposes

It was reported by multiple individuals that a former City Manager sent city employees on personal errands (to perform personal work). This allegation was supported by a selfie photograph of city employees at the former City Managers property. It is unclear from the photo whether the employees were clocked in on city time, however the city work shirt is clear in the photo.

The former City Manager also asked a city employee to weld horseshoes in the city shop. It has been reported that the employee refused to do the work. There are photos of the horseshoes in the city shop to substantiate the claim.

We recommend that a policy be established that prohibits the use of city employees for personal errands or tasks during work hours. Additionally, the unauthorized use of city property and equipment for personal purposes should also be addressed in this policy. This policy should be clearly communicated to all employees and a signed acknowledgement obtained.

9. Ordinance Codification

The objective of this segment of our review was to verify the existence and completeness of ordinances. Our approach was to test whether all passed and approved ordinances stored in Laserfiche between January 1, 2020 through June 30, 2024 were signed, dated, and accompanied by a publication affidavit, ordinance publications were issued within 15 days after the ordinance was passed, and the approved ordinances were uploaded to Municode and codified or supplemented timely. Ordinances were codified or supplemented on a semi-annual basis per the supplementation contract between the City of Yukon and CivicPlus, Inc. Based on our findings, a risk rating (High, Moderate, and Low) was assigned to ordinances where we identified anomalies based on the criteria of codification delays and completeness.

Our testing involved accessing Laserfiche and navigating to the City of Yukon ordinance folder to extract data from specific subfolders (Ord x1301 to 1400 and Ord x1401 to 1500). The contents were downloaded, exported to Excel, and used to create a list of ordinance numbers and names from January 2020 to June 30, 2024. A parallel list was created by downloading the Municode supplement history table. We then cross referenced the two lists to trace ordinance numbers, identify missing ordinances, and document gaps in sequence numbers. Ordinance files from Laserfiche were printed as PDFs and reviewed for mayor and clerk signatures, approval dates, and publication dates. The timeline between approval and publication was calculated. Municode was accessed and used to identify the ordinance upload dates, and the supplement history table and website were consulted to confirm codification details, supplement numbers, and omissions. The timeliness of codification was assessed against Municode agreements. Risk ratings were assigned to the ordinance results as high, moderate, or low based on the overall findings.

During the testing period from January 2020 through June 30, 2024, a total of 55 ordinances were reviewed. Out of these, 27 ordinances posed no risk and were found to be in compliance with our objectives. The remaining ordinances were categorized as follows:

- High Risk: 6 ordinances
- Moderate Risk: 19 ordinances
- Low Risk: 3 ordinances

Additional observations include:

- All ordinances were published within the 15-day criteria.
- The categorization of risk was primarily driven by delays in codification or submission to Municode.
- The consistent reduction in high-risk ordinances over time suggests improved compliance and procedural adherence, however, we have noted additional process improvements should be considered and made.

The table below summarizes the results of our testing of the ordinances within the scope.

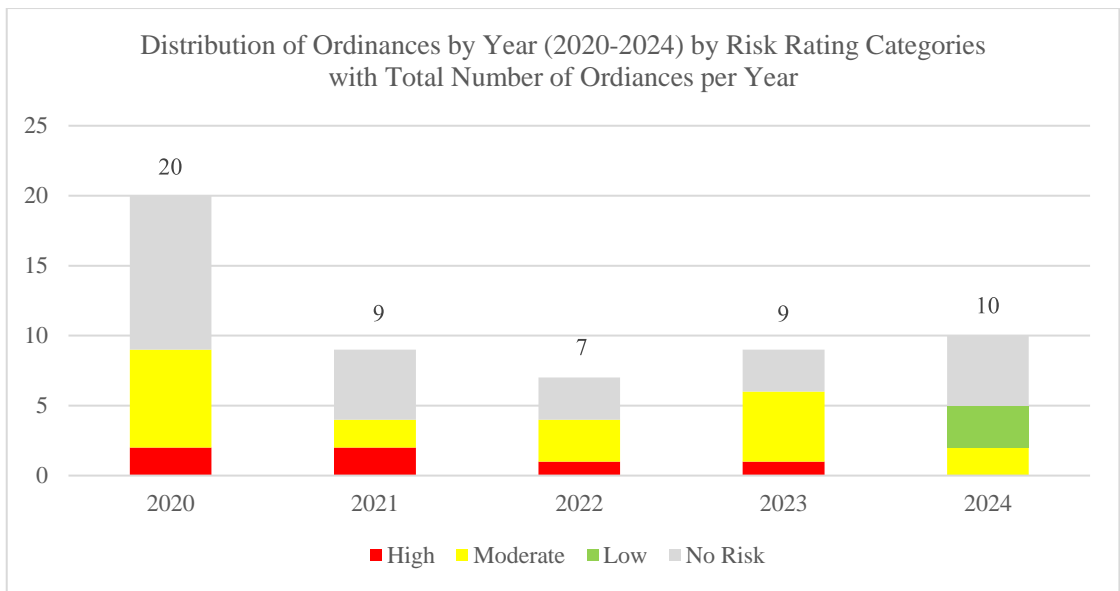
Risk Rating	Name of Ordinance(s)	Observations	Recommendations
High	ORD 1423 Fire Truck Lease	Codified after 1,222 days, with delayed entry into Municode.	Implement stricter tracking and controls to avoid extended codification and supplementation delays in the future.

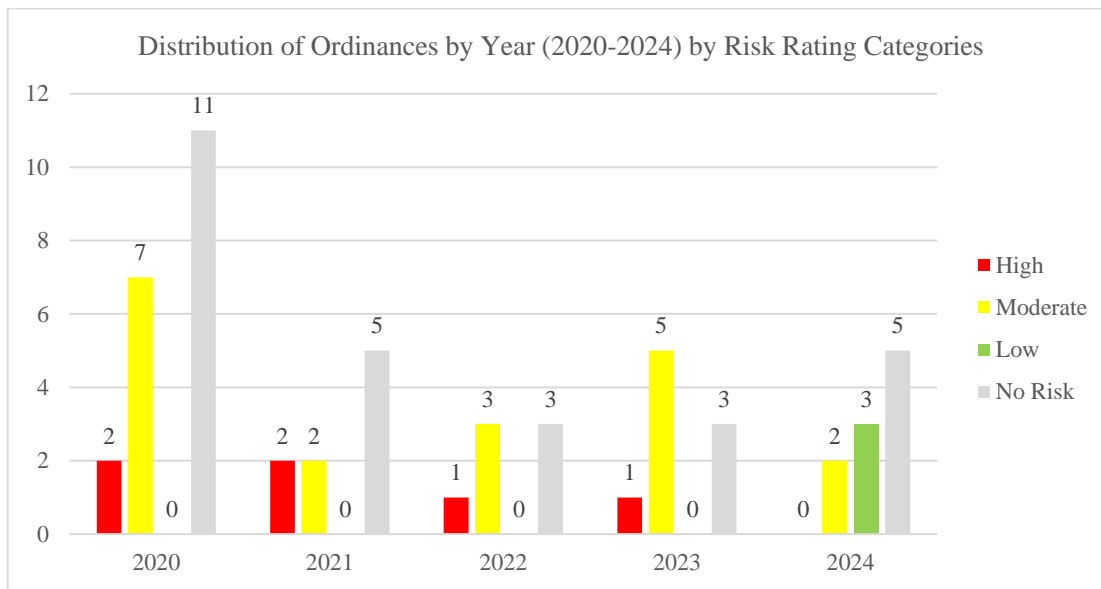
Risk Rating	Name of Ordinance(s)	Observations	Recommendations
High	ORD 1427 Rezoning	Seen on supplement after 529 days, exceeding the acceptable 365-day timeframe. This ordinance is not of a general and permanent nature so is not codified in the Code Book and is considered "Omit".	Expedite the supplementation process for ordinances nearing the 365-day limit.
High	ORD 1431 Mayor's Emergency Proclamation Power	Could not find published date but was approved on 9/12/22. Codified after 743 days, no publication date, delayed due to a re-write.	Ensure ordinances requiring re-writes are prioritized and published in a timely manner.
High	ORD 1438 UDC 8-1-23	Codified after 416 days, beyond the 365-day threshold.	Expedite the codification/supplementation process for ordinances nearing the 365-day limit.
High	GAP-1407	Approved but not carried out as law and not codified.	Clearly mark ordinances that were approved but not carried out as law to prevent confusion and ensure proper documentation.
High	GAP-1416	Approved but not carried out as law and not codified.	Clearly mark ordinances that were approved but not carried out as law to prevent confusion and ensure proper documentation.
Moderate	ORD 1439, ORD 1440, ORD 1442, ORD 1443 (Part of Supplement Number 9)	These "included" ordinances are codified in Municode, but Supplement Number 9 is missing from Municode.	Ensure Supplement Number 9 is uploaded to Municode and review for any other missing supplements.
Moderate	ORD 1453 Meeting locations	Missing key documentation,	Ensure that the official seal and ordinance date are added

Risk Rating	Name of Ordinance(s)	Observations	Recommendations
		including the official seal and ordinance date. The ordinance has also not been uploaded to Municode or codified/supplemented, despite being approved.	immediately. Upload Ordinance 1453 to Municode and ensure it is codified and supplemented as soon as possible to prevent it from becoming high risk. Implement tracking to ensure future ordinances are documented and codified in a timely manner.
Moderate	ORD 1400 ONG Franchise, ORD 1401 Zoning Spanish Cove C-3 to C-3 PUD, ORD 1402 Zoning (O'Reilly), ORD 1403 Court Fees, ORD 1404 2020 Note, ORD 1417 Fire Lanes, ORD 1418 ONG Franchise Agreement, ORD 1419 OkMRF Defined Benefit, ORD 1420 OkMRF CMO, ORD 1428 OkMRF DB, ORD 1429 OkMRF CMO, ORD 1430 Rezoning, ORD 1441 Commercial, ORD 1444 Short-term Rentals	These ordinances were codified between 200 and 365 days, which could escalate if delays become more frequent. Nine (9) of these ordinances are not of a general and permanent nature so are not codified in the Code Book and are considered "Omit".	Monitor ordinances nearing the codification/supplementation deadline and implement documentation processes and alert systems to avoid delays.
Low	ORD 1448 Property Maintenance Code	Ordinance 1448 was signed and published on May 6, 2024. However, the approval date, which should accompany the signature and precede the publication date, is missing from the signed ordinance.	It is recommended to implement additional controls to ensure all documentation, including approval dates, is complete and accurate. This will help mitigate potential non-compliance risks due to missing information.
Low	ORD 1451 AirBnb changes	Ordinance 1451 was approved in June 2024 as an amendment to previous ordinance but has not yet been uploaded,	Ensure that Ordinance 1451 is uploaded to Municode and supplemented in a timely manner. Implement a monitoring system to track ordinances that are nearing the codification deadline to avoid further delays.

Risk Rating	Name of Ordinance(s)	Observations	Recommendations
		supplemented, or codified in Municode.	
Low	ORD 1452 AirBnb changes #2	Ordinance 1452 was approved in June 2024 as an amendment to previous ordinance but has not yet been uploaded, supplemented, or codified in Municode.	Ensure that Ordinance 1451 is uploaded to Municode and supplemented in a timely manner. Implement a monitoring system to track ordinances that are nearing the codification deadline to avoid further delays.

Results by Year





We identified several possible process improvements to help comply with ordinance regulations.

1. Supplementation Subscription:

Consider adopting an electronic supplementation subscription to update the online Code of Ordinances more frequently. This approach will allow for more frequent updates that match the schedule of regular meetings (which occur more frequently than semi-annually) and ensure that the online Code reflects newly passed ordinances in a timely manner. The combination of online updates and a consistent print schedule will improve both accessibility and codification/supplementation compliance.

2. Risk-Based Tracking System:

Develop a robust ordinance tracking system that flags ordinances as "High Risk" when they approach or exceed 365 days. Use automated alerts to notify relevant departments about ordinances that need urgent attention.

3. Regular Audits:

Conduct regular internal audits to ensure ordinance timelines are adhered to and focus on ordinances that are at risk of missing deadlines. Ensure ordinances requiring re-writes are prioritized and published in a timely manner (ordinance #1431).

4. Resource Allocation:

Allocate more resources to the ordinance process during busy periods. This will help ensure that all ordinances are updated in a timely manner, reducing the number of high-risk ordinances.

5. Improved Communication:

Improve communication between departments to ensure ordinances are supplemented and codified as soon as they are passed. This will help minimize the backlog of ordinances waiting for codification.

6. Clarification of Non-Enforced Ordinances

For ordinances like GAP-1407 and GAP-1416, which were approved but not implemented as law, clearly mark them in all official records to avoid confusion and ensure proper documentation.

7. Documentation Completeness

Ensure all ordinances are properly signed, dated, and accompanied by required documentation (publication affidavits, seals). Missing documentation should be identified and resolved promptly to prevent delays in the process.

In addition to our findings above, during sales tax testing, we discovered that the content in Municode describing applicable tax percentages does not equal 100% (see the current verbiage in Municode below). This could be confusing to citizens or others who are interested in understanding the details of sales tax revenue. The timing of this is out of scope, however we recommend it should be supplemented and would be classified as a critical issue if included in the testing detailed above.

10/24/24, 5:56 PM

Yukon, OK Code of Ordinances

Sec. 98-77. - City of Yukon Public Employees Sales Tax Ordinance of 2003.

- (a) *Citation.* This section shall be known and may be cited as the "City of Yukon Public Employees Sales Tax Ordinance of 2003."
- (b) *Subsisting state permits.* All valid and subsisting permits to do business by the Oklahoma Tax Commission pursuant to the Oklahoma Sales Tax Code are, for the purposes of this section, hereby ratified, confirmed, and adopted in lieu of any requirement for an additional city permit for the same purpose.
- (c) *Effective date and termination.* This section shall become and be effective on and after approval of a majority of the registered voters of the City of Yukon voting on the same in the manner prescribed by law; and shall not be repealed unless repealed by a majority of the registered voters of the city voting to repeal same in the manner as was required for its approval.
- (d) *Purpose of revenues.* The excise tax levied hereunder shall be expended for the following: Of the three-fourths of one percent, 30 percent shall be expended providing competitive compensation and benefits for fire personnel, additional firefighting personnel, subject to collective bargaining agreement with the City of Yukon, and firefighting related equipment; 36 2/3 percent of the excise tax levied shall be expended providing competitive compensation and benefits for police personnel, additional commissioned police personnel, subject to collective bargaining agreement with the City of Yukon, and police related equipment; the remaining 33 percent shall be expended providing competitive compensation and benefits for all other full-time employees of the city, additional full-time employees and equipment.

Note that the highlighted percentages in total equal 99 2/3 not 100 percent as expected.

10. Use of PEST Funds / Fund Transfers

The Public Employee Sales Tax (PEST) funds refer to three separate funds set up for fire, police and general city employees. The purpose is to provide competitive compensation and benefits as well as additional personnel and equipment to each of the three groups. Sales tax revenue in the amount of 3/4 of 1% funds all three PEST accounts. The 3/4 of 1% is allocated with 30% going to fire, 36 2/3 going to police, and 33 1/3 going to all other full-time employees of the city. Ordinances 1132 and 1143 address the PEST Funds.

During our review it came to our attention that the 2015 forensic review revealed that there were transfers from PEST funds to the city's pooled cash account as far back as 2013 (see Appendix O). The forensic auditors were not able to establish what the funds were used for or whether their expenditure complied with city ordinances. The forensic audit report went on to say, "Further research and/or a legal determination may be needed to fully resolve this issue." NAFA were unable to find any resolution to this prior finding. The City and the Police Union seemingly continue to be at

odds related to the use of PEST funds. As shown in Appendix P, monthly PEST funds continue to be transferred to the general funds pooled cash account.

We have reviewed the relevant ordinances and find them to be somewhat unclear. However, we believe the ordinance(s) is clear in that PEST funds can be used to provide competitive compensation and benefits to department employees. However, the contrary is true in that if the city is not providing competitive compensation to employees, PEST funds may not be used. According to the Police Chief, compensation for Yukon police employees falls below the 50th percentile in comparable salaries with surrounding communities. This benchmarking suggests that Police PEST funds are not being used appropriately.

We recommend that a PEST audit be conducted to reconcile historical draws to the related expenditures to determine if funds were used for the purposes established by ordinance. Any identified improper transfers should be refunded to the applicable PEST account. Additionally, future PEST transfers should be agreed to in advance by the applicable department director (e.g. fire chief, police chief). Periodic updates on PEST fund balances should also be given to the applicable department director. This update could include a copy of the applicable bank statement. Additionally, because of the confusion about the administration of PEST funds, consideration should be given to amending the relevant ordinances to address any identified ambiguity.

11. Budgeting

As part of our review, we examined the budgeting process inclusive of the amendment process, ongoing monitoring of the budget throughout the year, and filing of the budgets and budget amendments with the State Auditor. During our review we identified that the budget year 2022-2023 showed signs of violation of ordinance and statute. We performed a detailed review of the 2022 – 2023 budget year and identified the following issues. See Appendix Q for the related documentation.

- Budget Amendment 6 was not signed by the City Council, with the City Council signature line being removed prior to filing with the State. The Amendment was received by the State Auditor on July 13, 2023 after the fiscal year had ended. This amendment did not have any explanation for the increases / transfers.
- After Amendment 6, InCode continued to display “Budget Deficit Warnings”
- Budget Amendment 1 was authorized for \$865,000. However, based on the entry in InCode, it appears that in total the amendment was actually for \$1,730,000

We recommend that a process is put in place to ensure that all amendments requiring City Council approval are signed prior to the amendment taking place and filed with the State Auditor. The amendment memo or budget amendment document itself should include additional information related to the specific accounts involved. Additionally, additional procedures should be implemented to identify any fund that is in jeopardy of being overspent. A high-level monitoring process should be implemented, possibly utilizing the warnings provided by InCode to address possible violations timelier.

APPENDIX A - SOURCES OF INFORMATION RELIED UPON IN THIS REPORT

Description

- Online access to Laserfiche
 - Bank Reconciliations
 - Contracts and Competitive Bid Documents
 - City Ordinances
- Online access to InCode
 - General Ledger Detail
 - Vendor History
 - Budget Tracking
- YNB Online Bank Account Access (Read Only)
- FuelMaster system and transaction logs
- Employee email archives
- Interviews with current and former employees
- Interviews with current City Council Members
- Access to Municode
https://library.municode.com/ok/yukon/codes/code_of_ordinances?nodeId=PTICH
- YouTube videos of various City Council meetings
- City Audited Annual Financial Statements (2015 – Present)
- City Charter
- City website www.yukonok.gov
- Paper files obtained throughout the city including City Hall and Public Works

APPENDIX B - FEE ARRANGEMENTS & LIMITING CONDITIONS

The fees of North American Forensic Accounting LLC are a result of the time expended by us on this engagement and the applicable hourly billing rates. Our compensation is not contingent on any action or event resulting from the analyses, opinions, or conclusions in, or in the use of, this report.

Information supplied to us has been accepted as correct without further verification, and we express no opinion on that information.

Conclusions offered in this report were based on the information provided to us (Appendix A).

To the best of our knowledge and belief, all statements contained herein are true and correct, and no facts have been deliberately withheld or overlooked.

Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used by anyone but the client or their professional advisors for any purpose without the previous written consent of the client and North American Forensic Accounting LLC.

This report was prepared under the direction of Michael Breon CPA, CFE, CIA, MAFF, MBA of North American Forensic Accounting LLC. Mr. Breon does not have any present or contemplated future interest in any of the parties involved, any personal interest with respect to the parties involved, or any other interest that might prevent us from expressing an unbiased opinion.

North American Forensic Accounting LLC reserves the right to modify the report when and if additional information becomes available, or, when and if deemed necessary to do so.

North American Forensic Accounting LLC

A handwritten signature in black ink, appearing to read 'Michael Breon', is written over a light blue horizontal line.

Michael Breon CPA, CFE, CIA, MAFF, MBA
Partner

APPENDIX C - QUALIFICATIONS OF EXPERTS

MICHAEL BREON CPA, CFE, MAFF, CIA, MBA

Michael is a Partner at North American Forensic Accounting LLC where he specializes in forensic accounting, litigation support, internal investigations, internal audit, and business resiliency services. Mike has over 25 years of experience providing these services while holding positions at “big 4” public accounting firms and Fortune 500 companies. Before starting Breon & Associates & merging with North American Forensic Accounting LLC, he was the Senior Director of Investigations & Ethics at Rite Aid. Mike has been a Professor of Accounting at Commonwealth University (Bloomsburg University, Pennsylvania) and has taught three of the advanced classes in the University’s Fraud Examination minor as well as other accounting courses. He is also a frequent speaker at professional organization events covering topics such as fraud, investigation, internal audit, risk, and ethics.

PROFESSIONAL EXPERIENCE

North American Forensic Accounting LLC / Breon & Associates, Harrisburg, PA August 2009 – August 2011 & January 2018 - Present

Partner / Vice President / President (Breon & Associates merged with NAFA July 2022)

Perform all phases of forensic accounting engagements including but not limited to lost profits, economic damages, and business interruption loss calculations as well as wage and hour claims. Provide accounting and auditing consulting expert and expert witness services with specific experience in auditor malpractice as well as other claims involving accounting matters. Deliver forensic accounting services to recreate financial transactions and accounting records, as well as interpreting their financial outcomes. Conduct & manage investigations involving suspicions of fraud and misconduct by client employees, management, and third parties. Serve as the firm quality and technical reviewer for expert reports including all business valuation reports.

Provide internal audit and Sarbanes Oxley (SOX) support services to public company clients. Also deliver assessments of internal audit’s performance and compliance with professional standards.

Develop and deliver forensic accounting, fraud, compliance, internal audit, and accounting training programs for professional groups, businesses, and public clients.

Commonwealth University (Bloomsburg University) & Albright College August 2018 – August 2024 Instructor / Professor of Accounting

Instructor of accounting at Bloomsburg University, with a focus on courses in the fraud & forensics minor. Co-advisor for the Student Association of Certified Fraud Examiners Chapter. Courses include Managerial Accounting, Principles of Accounting II, Financial Accounting, Advanced Fraud, Investigations, & Forensic and Fraud Examination.

Adjunct professor of accounting at Albright College. Courses include Introduction to Fraud, Audit I, Audit II, and Finance.

Rite Aid, Camp Hill, PA August 2011 – January 2018 Senior Director Internal Assurance Services & Regulatory Compliance

Responsible for implementing & managing Rite Aid’s anti-fraud programs and controls, investigative protocols and ethics programs designed to mitigate fraud and misconduct and promote adherence to Rite Aid’s core values. Provide reports to senior management and the board of directors on results and related matters.

Manage Rite Aid’s ethics and compliance hotline validating the timely and proper responses to allegations, as well as adherence to investigative protocols, Rite Aid’s Code of Ethics & policies, and other applicable laws and regulations.

Manage Rite Aid's fraud risk assessment process and validate the implementation of internal controls to reduce the risk of fraud and misconduct. Update the fraud risk assessment program to support Principle Eight of the COSO 2013 model, working closely with the Sarbanes Oxley team, Chief Accounting Officer, and Vice President of Internal Audit.

Establish and manage investigative standards to facilitate timely and professional results. Develop and manage staff on investigative techniques and practices including analytical procedures, auditing techniques, and interviewing skills. Conduct internal fraud awareness training for asset protection, compliance, and audit staff.

Manage and conduct investigations of misappropriation of assets, embezzlement, conflicts of interest, threats of violence, misuse of corporate assets, bribery and corruption, and policy compliance related matters. Conduct root cause analysis meetings with management and prepare comprehensive remediation plans to reduce the risk of future occurrences. Coordinate investigative results with legal, human resources, and law enforcement to assist with remediation.

Provide oversight of the internal audit function including responsibility for the quality program, reporting the results to senior management and the Audit Committee. Manage high profile internal audits. Development and application of forensic audit techniques used to uncover red flags of fraud during audits. Regularly consult on fraud risk factors for all audit projects.

Support Rite Aid's Compliance Department by overseeing and monitoring all HIPAA investigations. Work closely with the Chief Compliance Officer and Privacy Officer to assess compliance risk. Responsible for mapping the company's compliance program with elements of the Federal Sentencing Guidelines.

Deloitte & Touche, LLP, Philadelphia, PA
Senior Manager – Enterprise Risk Services

January 2005 – August 2009

Responsible for managing all aspects of a fully outsourced (subsequently co-sourced) internal audit department generating in excess of \$2 million in annual fees. Led annual risk assessments and development of the annual audit plans. Successfully deployed staff to execute the annual audit plans. Reviewed deliverables for compliance with firm policies and standards. Delivered audit results and plan updates to client senior management and firm Directors and Partners. Prepared all Audit Committee communications. Provided management with solutions to operational and compliance related matters as well as assistance with allegations and investigations of fraud.

Consulted on two additional manufacturing clients in the northeast practice providing review and firm administrative support. Provided specialized employee benefit plan internal audit guidance to teams throughout the firm.

Conducted and reviewed results of fraud investigations and forensic accounting cases for various clients in the firm's northeast practice. Performed root cause analysis and evaluated control deficiencies providing insights into the application of best practices to help prevent future incidents. Reviewed forensic reports for quality control purposes, the application of sound principles and professional standards.

Co-authored the rewrite of the Firm's internal audit service line policies with a small group of Senior Managers and a Director. The rewrite consisted of quality control related enhancements and inclusion of updated professional standards. The new policies & guidance also included the addition of Internal Audit Department Quality Assessment Review services for which I assisted in the roll out to the northeast practice. Co-developed and delivered fraud training programs for the Institute of Internal Auditors (IIA) through their partnership with Deloitte. Attended a week-long session on techniques to develop and deliver successful training programs. Performed all research, development, and administrative tasks for the IIA fraud training programs including obtaining copyright permissions. Presented programs during IIA sponsored events and to corporate clients.

Hershey Foods, Hershey, PA

May 2000 - January 2005

Manager - Retirement Plans, Total Compensation

April 2003 - January 2005

Responsible for the management of a \$165 million benefits budget (all benefits including health and welfare and retirement). The budget process necessitated coordinating information from third party administrators, vendors, and actuaries for breakdown to over 100 cost centers. Managed staff and day to day activities of the plans including plan communications, plan compliance, distributions, loans, reporting, annual audits, 5500 filings, accounting, responses to DOL inquiries/audits, and corrective measures to bring plans into compliance.

Member of the company's Employee Benefit Committee and the Employee Benefit Working Committee. These committees oversaw plan design, investment decisions, accounting, compliance, and funding matters. Responsible for the preparation of and presentation of all retirement plan related matters (both defined contribution and defined benefit).

Spearheaded the rollout of Hershey's HIPAA program. Worked closely with consultants and attorneys to meet the documentation, security, and employee training requirements.

Internal Auditor

May 2000 - April 2003

Performed and managed all aspects of operational, financial, and compliance internal audit projects from planning through reporting for manufacturing facilities, pension and benefit plans, treasury operations, export sales, and trade promotion spending. Led international internal audit projects in Manila, Philippines; Guadalajara, Mexico; and Toronto, Canada.

Performed fraud investigations resulting in the recovery of corporate assets and improvement of related internal controls. Assisted in the preparation for and prosecution of perpetrators.

Identified significant opportunities to enhance controls related to employee benefit plans. Identified and recovered overpayments and provided recommendations related to pension plan portfolio management and performance reporting resulting in improved monitoring and oversight. Enhanced overall compliance of both Health and Welfare and Retirement plans.

Ernst & Young

December 1999 - May 2000

Senior Auditor

Led attest engagement planning, fieldwork, and reporting for businesses primarily in the health insurance, manufacturing, and technology industries. Prepared financial statements and management letter comments.

McKonly & Asbury CPAs and Waggoner Frutiger and Daub CPAs October 1996 - December 1999

Staff Auditor

Performed audit, review, and compilation procedures for small businesses in various industries including construction, manufacturing, low-income housing, not for profit organizations, union health and welfare plans, school districts, and governmental entities. Developed post-audit management letters to help clients improve processes and controls. Gained extensive experience using the Thompson Reuters PPC approach to engagements.

Compiled documentation to assist in multiple fraud investigations. Prepared individual, nonprofit, partnership and corporate tax returns using ProSystem tax software.

Information Available Upon Request May 1986 – September 1996

EDUCATION

- Penn State University - Capital College - Master of Business Administration (3.9 GPA) - Spring 2001
- Penn State University - Capital College - Bachelor of Science in Professional Accountancy (3.63 GPA) - Spring 1996

CREDENTIALS & AFFILIATIONS

- Certified Public Accountant (CPA) - American Institute of Certified Public Accountants (AICPA) & Pennsylvania Institute of Certified Public Accountants (PICPA)
- Certified Fraud Examiner (CFE) – Association of Certified Fraud Examiners (ACFE)
- Certified Internal Auditor (CIA) - Institute of Internal Auditors (IIA)
- Master Analyst Financial Forensics (MAFF) – National Association of Certified Valuators and Analysts
- Former President (x2) & Board Member – Institute of Internal Auditors - Central Penn Chapter 2004 - 2015
- Member of Infragard (partnership between the FBI and the private sector to share information and intelligence to prevent hostile acts against the U.S.)
- Completed both the John E. Reid Interviewing Technique and the Advanced Reid Technique Programs

PROFESSIONAL RECOGNITION & PRESS

Central Pennsylvania Business Journal “CPA Taps In-House Expertise to Fight Fraud”, Thomas Barstow, July 12, 2019

WHTM 27 News “Tax Refund Delays, What Should You Do?”, Michella Drapac, August 16, 2021

BOOKS & PUBLICATIONS

Building an Ethical Corporate Culture to Mitigate Deviant Behavior and Prevent Fraud
How taking a “people perspective” is good for peace of mind and the bottom line
White Paper
August 2019

Fraud Case Simulation
Expense Report Fraud
Currently in use at Bloomsburg University

Fraud Case Simulation
Foreign Corrupt Practices Act / Bribery
Currently in use at Bloomsburg University

Contributor to the Book - Detecting Fraud in Organizations: Techniques, Tools and Resources, Joseph Petrucelli, Wiley, 2013

Improving Client Relations, Internal Auditor Magazine, October 2009, Pg. 19-21

Increased Cost of Capital as a Deterrent of Fraudulent Financial Information
Academic Paper, 2000

ACADEMIC COURSES & INSTITUTIONS

- Advanced Fraud – Bloomsburg University
- Investigations – Bloomsburg University
- Forensics & Fraud Examination– Bloomsburg University
- Managerial Accounting – Bloomsburg University
- Financial Accounting – Bloomsburg University

The City of Yukon, Oklahoma

- Principles of Accounting II – Bloomsburg University
- Introduction to Fraud – Albright College
- Audit I – Albright College
- Audit II – Albright College
- Corporate Finance – Albright College
- Co-Chair of the Student Association of Fraud Examiners Chapter – Bloomsburg University

EXPERT TESTIMONY & DEPOSITIONS

Degrazia vs. Degrazia

Berks County Court of Common Pleas – September – November 2019

Expert witness for Defendant

Grivas vs. Ephrata National Bank

Lancaster County Court of Common Pleas – May 2020 – October 2021

Expert witness for the Complainant

AnimalScan, LLC vs. Live Oak Veterinary Specialists, LLC; Jason King, DVM; DACVIN; Covert Aire, LLC; and Michael Covert

United States District Court for The Middle District of PA – September 30, 2022

Deposition for Defendants

Maks Kutsak on Behalf of Global Home Care, Inc. v. Irina Slivko, Michelle Koliskor, and Michael London and Global Home Care, Inc.

Supreme Court of The State of New York; Kings County – July 25, 2024

Index 514920/2022

Deposition for Defendants

SELECT CASE DESCRIPTIONS / EXPERIENCE

- Provided expert witness and litigation consulting for several wage and hour class action cases which included statistical sampling and the recalculation of thousands of time records
- Performed business interruption calculation for an insurance company that revealed data anomalies resulting in the \$1.3 million claim being withdrawn and eventual federal prosecution
- Regularly perform business interruption calculations for adjusters and insurance companies
- Regularly perform calculations to determine lost profits due to breach of contract
- Reviewed independent auditor report and workpapers to assess compliance with Generally Accepted Auditing Standards as part of a fee dispute and provided litigation support for professional negligence
- Investigated allegations of a not-for-profit Executive Director drawing excessive compensation and benefits, referred to state Attorney General's Office
- Investigated a \$5.7 million fraudulent billing and kickback scheme which included collaboration with the FBI and DOJ in prosecution
- Performed investigations and prepared forensic reports explaining employee embezzlement schemes for local governmental entities and not-for-profits with losses ranging from \$70,000 to over \$1 million

The City of Yukon, Oklahoma

- Provided litigation support services / trial consultant for the defense related to a wrongful termination / retaliation case for a CFO claiming various professional ethical concerns
- Provided trial consulting related to a claim for damages for injuries sustained on the job. Rebutted expert report of future damages and identified weaknesses in plaintiffs account of the incident by reviewing depositions, interrogatories, investigation reports, medical reports, and other case exhibits.
- Calculated damages for a start-up company related to the delay in opening because of a breach of contract
- Internal corporate case descriptions available upon request. Investigations ranging from asset misappropriation and corruption (including conflicts of interest) to sexual harassment. In my last corporate role, I was responsible for overseeing between 2,000 – 3,000 investigations a year.

PRESENTATIONS & TRAINING

PICPA Webinar
Fraud Isn't Hurt by a Pandemic, It Thrives on It
August 26, 2020
Online

PICPA Northeast Chapter Accounting Career Day
Forensic Accounting & Investigations
October 23, 2018
Bloomsburg, PA

Bloomsburg University ZIPD Business Conference 2017
Ethics – Doing the Right Thing
November 2 & 3, 2017
Bloomsburg, PA

Student Association of Fraud Examiners - Bloomsburg University
Fraud – Moving Beyond Controls
October 3, 2017

PICPA – Not-for-Profit Conference
Building a World Class Ethics Program
Not-for-Profit Conference June 12-13, 2017
Recording of this presentation will be available for ethics CPE on PICPA's website
Harrisburg, PA

Bloomsburg University ZIPD Business Conference 2016
Ethics – Doing the Right Thing
Helping Your Company Achieve Their Goals and Objectives
November 3 & 4, 2016
Bloomsburg, PA

Student Association of Fraud Examiners - Bloomsburg University
Managing Investigations
November 5, 2015
Bloomsburg, PA

The City of Yukon, Oklahoma
MIS Training Institute – Fraud Summit
Fraud Track Program Chair
December 3 - 4, 2014
Orlando, FL

Bloomsburg University ZIPD Business Conference 2014
Working Together to Safeguard Corporate America
Business Ethics - Doing the Right Thing
November 13 - 14, 2014
Bloomsburg, PA

PICPA - Financial Institutions Conference
Building a World Class Ethics Program
Financial Institutions Conference September 22, 2014
Recording of this presentation is available for ethics CPE on PICPA's website
Philadelphia, PA

Association of Certified Fraud Examiners 25th Annual Fraud Conference
Corporate Ethics Roundtable
June 20, 2014
San Antonio, TX

Bloomsburg University Student Association of Fraud Examiners
Fraud Update
February 28, 2014
Bloomsburg, PA

Central Pennsylvania Chapter IIA
Fraud Update
February 18, 2014
Harrisburg, PA

Bloomsburg University ZIPD Business Conference 2013
Business Ethics - Doing the Right Thing
October 10, 2013
Bloomsburg, PA

Central Penn IIA
Fraud - The People Perspective
March 12, 2013
Harrisburg, PA

Bloomsburg University Student Association of Fraud Examiners
Fraud Investigation Best Practices
February 19, 2013
Bloomsburg, PA

Central Penn ACFE
Developing a World Class Ethics Program
November 15, 2012
Camp Hill, PA

The City of Yukon, Oklahoma
Central Penn ACFE
Fraud, Understanding People
July 25, 2012
Camp Hill, PA

Tampa Bay Chapter IIA
Internal Auditing for Fraud
December 9, 2011
Tampa, FL

Central Penn ACFE
Ethics: Challenging Scenarios
November 8, 2011
Camp Hill, PA

Commonwealth of Pennsylvania Bureau of Audits
Internal Auditing for Fraud
October 13, 2011
Harrisburg PA

Pennsylvania State University - Harrisburg (Guest Lecturer)
Fraud Awareness and Computer Fraud
September 26, 2011
Middletown, PA

Harrisburg Lions Club
Identity Theft
August 6, 2011
Harrisburg, PA

Fulton Financial Corporation
Internal Audit Building Blocks to Detect Fraud
July 25, 2011
Lancaster, PA

Central Penn ACFE
Purchasing Fraud Workshop
July 21, 2011
Harrisburg, PA

Pertrolance, LLC
Fraud and Business Controls
June 9, 2011
Harrisburg, PA
Institute of Internal Auditors
Beginning Auditors Tools and Techniques
May 23-26, 2011
Orlando, FL

Commonwealth of Pennsylvania Bureau of Audits
Internal Audit Fundamentals
April 28, 2011
Harrisburg, PA

The City of Yukon, Oklahoma
The TEAM Approach
Fraud and Small Businesses
March 2011
Lancaster, PA

Heartland-Iowa Chapter IIA
Soft Skills for Internal Auditors
March 15, 2011
Cedar Rapids, IA

Central Penn ACFE
Purchasing Fraud
July 21, 2011
Harrisburg, PA

Central Penn ACFE
Ethics: Navigating Through the Grey
November 11, 2010
Camp Hill, PA

Central Penn IIA
Internal Audits of Employee Benefit Plans
March 23, 2010
Harrisburg, PA

Central Penn ACFE
Soft Skills to Detect Fraud
August 4, 2009
Camp Hill, PA

Institute of Internal Auditors
Purchasing Fraud: Auditing and Detection Techniques
June 16-19, 2009
New York NY

Institute of Internal Auditors
Internal Auditing for Fraud
March 24-27, 2009
Las Vegas, NV

Institute of Internal Auditors
Purchasing Fraud: Auditing and Detection Techniques
February 9-13, 2009
Phoenix, AZ

Institute of Internal Auditors
Purchasing Fraud: Prevention, Detection and Investigation
November 3-7, 2008
San Francisco CA

Central Penn IIA
Employee Benefit Plans: Common Audit Areas & Special Areas of Focus
March 12, 2007
Lancaster, PA

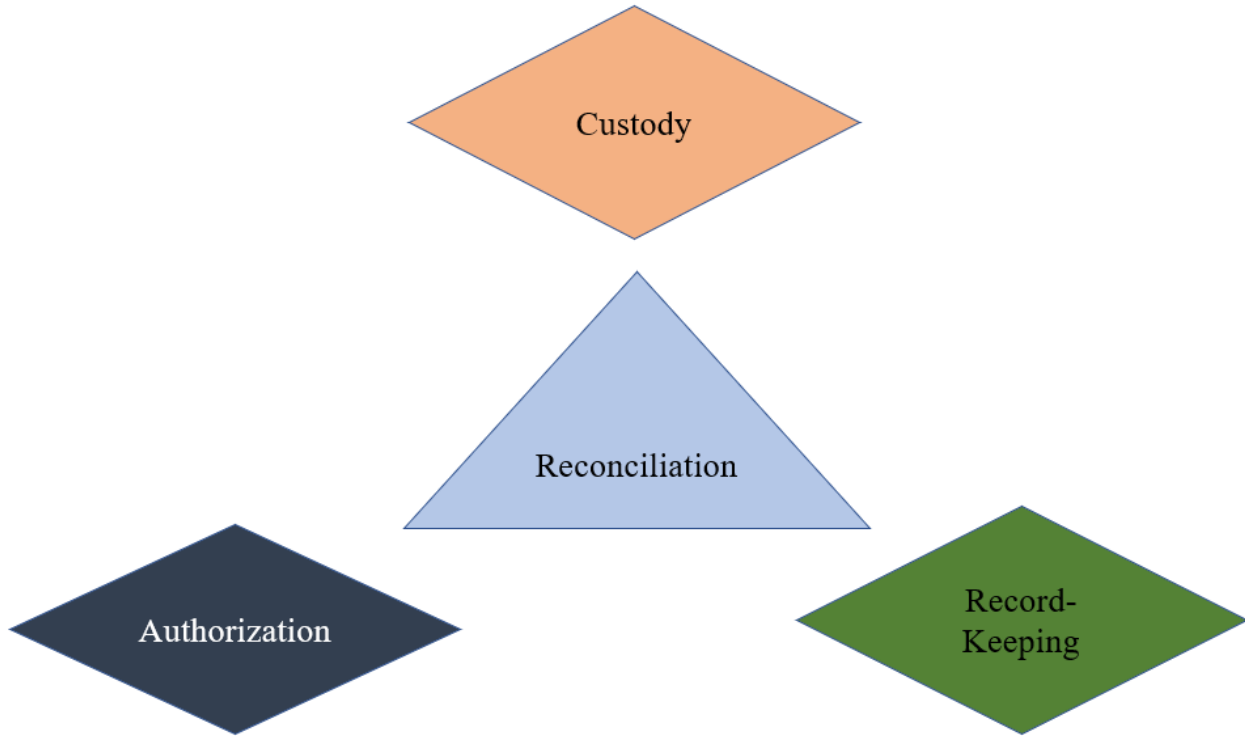
The City of Yukon, Oklahoma

Penn State Harrisburg (Guest Lecturer)
Fraud Awareness
February 22, 2007

Penn State Harrisburg (Guest Lecturer)
Internal Audit and Fraud
October 12, 2006
Camp Hill, PA

APPENDIX D

Segregation of Duties



The responsibilities noted above should be segregated when designing business processes.

Many times, accounting and auditing professionals use the term “segregation of duties” however it is never explained what duties should be segregated. This diagram illustrates what duties should be segregated within a particular process.

APPENDIX E – EXCERPTS FROM CITY CHARTER

Sec. 23. - Administrative departments, offices and agencies.

There shall be a department of finance and such other administrative departments, offices and agencies as this charter establishes and as the council may establish.

Sec. 26. - City clerk: office created, duties.

There shall be a city clerk, who shall be an officer of the city appointed by the city manager for an indefinite term, and who shall be head of the department of finance. Except as the council may provide otherwise by ordinance, the city clerk shall collect or receive revenue and other money for the city and shall deposit the same with the city treasurer or for the city treasurer in an account or accounts maintained by the city treasurer in a depository or depositories. The city clerk shall maintain or have maintained a general accounting system for the city government. He shall have such other powers, duties and functions as may be prescribed by the charter, by applicable law or by ordinance.

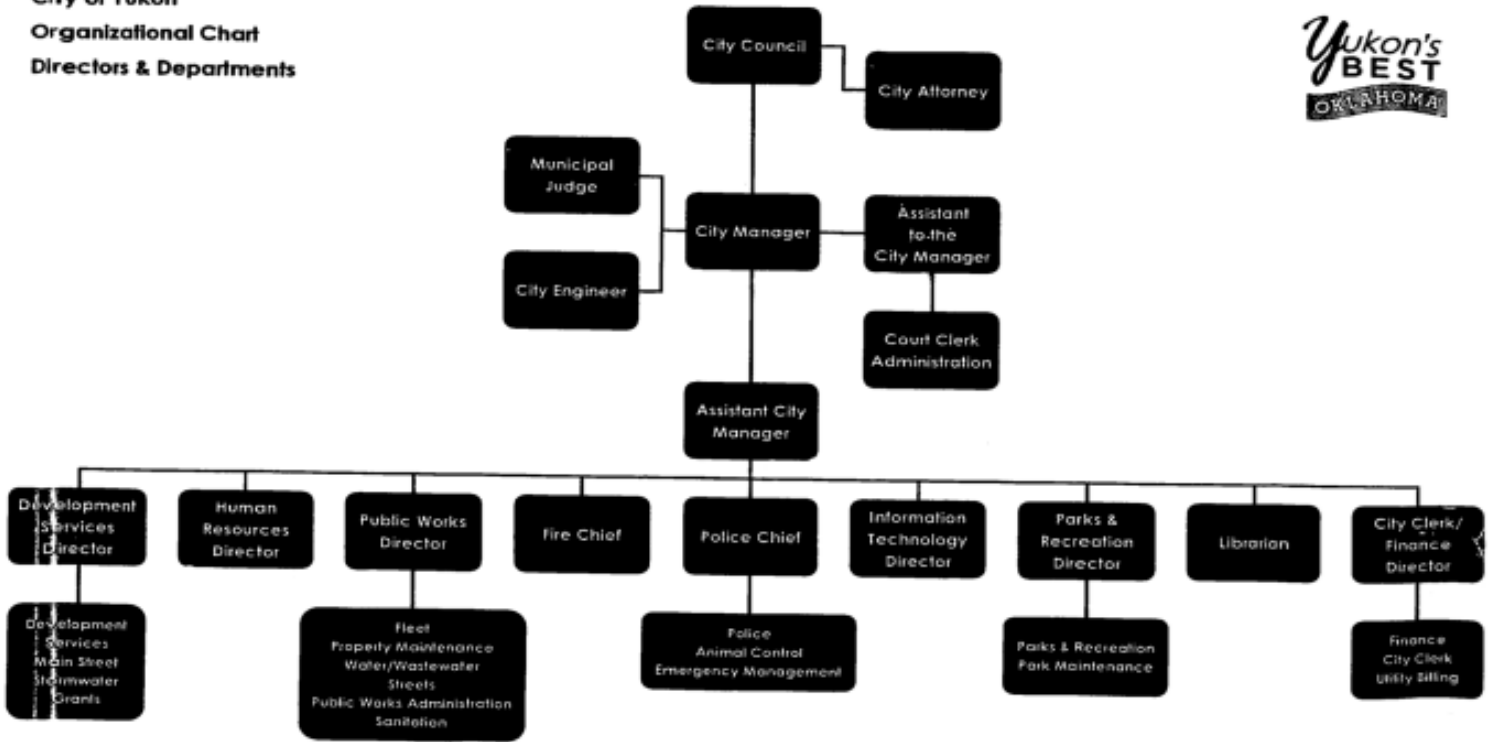
Sec. 27. - City treasurer: office created, duties.

Within the department of finance, there shall be a city treasurer, who shall be an officer of the city appointed by the city manager for an indefinite term. Subject to such regulations as the council may prescribe, the city treasurer shall deposit funds received for the city in such depositories as the council may designate. He shall have such other powers, duties and functions as may be prescribed by the charter, by applicable law or by ordinance.

We consulted the City Charter to determine the roles of the City Clerk and City Treasurer.
--

APPENDIX F – City of Yukon Organizational Chart

**City of Yukon
Organizational Chart
Directors & Departments**



APPENDIX G – June 30, 2023 Bank Reconciliation

9/22/23 2:21 PM

BANK RECONCILIATION

PAGE: 1

PERIOD: 6/01/2023 - 6/30/2023

ACCOUNT: 88-100 Pooled Cash Account

RECONCILIATION SUMMARY

BEGINNING STATEMENT BALANCE:	18,997,493.70
DEPOSITS:	+ 4,074,374.70
WITHDRAWALS:	+ 3,971,458.53CR
ADJUSTMENTS:	+ 0.00
ENDING STATEMENT BALANCE:	<u>19,100,409.87</u>

GL ACCOUNT BALANCE:	18,201,116.65
OUTSTANDING DEPOSITS:	- 143,134.97
OUTSTANDING CHECKS:	- 1,041,254.30CR
ADJUSTMENTS:	+ 0.00
CREDIT CARD CLEARED AFTER PERIOD	+ <u>1,173.89</u>
ADJUSTED GL ACCOUNT BALANCE:	19,100,409.87

STATEMENT BALANCE:	19,100,409.87
BANK DIFFERENCE:	0.00
G/L DIFFERENCE:	0.00

CLEARED DEPOSITS:

6/01/2023	000004	Online Payment 6/01/2023	15,675.26
6/01/2023		DAILY CASH POSTING 6/01/2023	3,968.54
6/01/2023	000005	Dev Serv CC Pymts	685.00
6/01/2023	000006	June '23 CCATT	2,135.87
6/01/2023	000002	DAILY CASH POSTING 6/01/2023	2,550.38
6/02/2023	000003	Online Payment 6/02/2023	8,965.75
6/02/2023		DAILY CASH POSTING 6/02/2023	22,527.69
6/02/2023	000004	Dev Serv CC Pymts	795.50
6/02/2023	000005	June '23 MERCH Fees	8,439.58CR
6/02/2023	000002	DAILY CASH POSTING 6/02/2023	3,166.04
6/03/2023	000001	Online Payment 6/03/2023	6,271.99
6/04/2023		Online Payment 6/04/2023	4,403.24
6/04/2023	000002	Dev Serv CC Pymts	79.00
6/05/2023	000004	Online Payment 6/05/2023	11,987.77
6/05/2023	000001	DAILY CASH POSTING 6/05/2023	52,870.58
6/05/2023	000005	Dev Serv CC Pymts	1,597.00
6/05/2023	000006	June '23 Public Surplus Auctio	86,290.50
6/05/2023	000003	DAILY CASH POSTING 6/05/2023	3,347.98
6/06/2023	000003	Online Payment 6/06/2023	3,492.03
6/06/2023		DAILY CASH POSTING 6/06/2023	77,495.34
6/06/2023	000002	DAILY CASH POSTING 6/06/2023	2,173.92
6/07/2023	000004	Online Payment 6/07/2023	9,061.60
6/07/2023		DAILY CASH POSTING 6/07/2023	30,903.38
6/07/2023	000005	Dev Serv CC Pymts	972.00
6/07/2023	000002	DAILY CASH POSTING 6/07/2023	837.32
6/08/2023	000005	Online Payment 6/08/2023	9,741.61
6/08/2023		Taser Recertification Bud Amen	4,853.00
6/08/2023	000001	June '23 Canadian Cty Appt	33,160.80
6/08/2023	000002	DAILY CASH POSTING 6/08/2023	103,756.19
6/08/2023	000006	Dev Serv CC Pymts	1,567.00
6/08/2023	000007	June '23 Insure OK Credit	1,418.27

 Doug Shivers, City Clerk

Date: 9/25/23

Signed but not reviewed by the City Clerk. Significant number of old outstanding checks and deposits in transit. Incomplete / unsatisfactory bank account reconciliations was a finding in 2015 and continues to be a control deficiency.

APPENDIX H – VACATION PAYOUT

1/09/2025 1:13 PM PATROLL HISTORY REPORT PAGE: 1
 PAYROLL NO#: 01 - CITY OF YUKON SORTED BY EMPLOYEE NO# DATE: 1/01/2021 THRU 12/31/2021

EMPLOYEE: [REDACTED] NAME: [REDACTED]		** EMPLOYEE TOTALS **									
CHECK NO/DT	999999	1/15/2021	999999	1/15/2021	999999	1/29/2021	999999	1/29/2021			
POST DATE	-	1/15/2021		1/15/2021		1/29/2021		1/29/2021	4 CHECK(S)		
TYPE/COUNT	-	M/01		R/01		M/01		R/01			
NET	-	2327.91		4012.69		75000.00		3228.02	84568.62		
EARNINGS	HOURS	AMOUNT	HOURS	AMOUNT	HOURS	AMOUNT	HOURS	AMOUNT	HOURS	AMOUNT	
GROSS	-	3115.60		6309.57		98608.80		6309.57	114343.54		
SALARY	-	0.00	80.00	6230.76	0.00	0.00	72.00	5607.64	152.00	11838.40	
BDAY CHECK	-	40.00	0.00	0.00	0.00	0.00	0.00	0.00	40.00	3115.60	
SICK LEAVE	-	0.00	0.00	0.00	0.00	24.00	1402.08	0.00	24.00	1402.08	
VACATION	-	0.00	0.00	0.00	0.00	1248.00	97206.72	0.00	1248.00	97206.72	
HOLIDAY	-	0.00	0.00	0.00	0.00	0.00	0.00	8.00	8.00	623.12	
PERSONAL US-	-	0.00	0.00	0.00	0.00	78.81	0.00	0.00	0.00	157.62	
DEDUCTIONS	EMPLOYER	DEDUCT	EMPLOYER	DEDUCT	EMPLOYER	DEDUCT	EMPLOYER	DEDUCT	EMPLOYER	DEDUCT	
\$2 Dep Life-	0.00	0.00	0.00	4.33	0.00	0.00	0.00	0.00	0.00	4.33	
BCBS DENTAL-	0.00	0.00	58.24	0.00	0.00	0.00	0.00	0.00	58.24	0.00	
BCBS FAM -	0.00	0.00	447.05	330.00	0.00	0.00	447.05	330.00	894.10	660.00	
LIFE- AD&D -	0.00	0.00	35.60	0.00	0.00	0.00	0.00	0.00	35.60	0.00	
OKMRF CMO -	186.94	155.78	378.57	315.48	0.00	0.00	378.57	315.48	944.08	786.74	
REIMB COY -	0.00	0.00	0.00	0.00	0.00	0.00	0.00	789.00	0.00	789.00	
UNITED MAY -	0.00	0.00	0.00	50.00	0.00	0.00	0.00	50.00	0.00	100.00	
TAXES	TAXABLE	TAX	TAXABLE	TAX	TAXABLE	TAX	TAXABLE	TAX	TAXABLE	TAX	
FEDERAL W/H-	2959.82	283.56	5664.09	815.83	98608.80	14419.29	5664.09	815.83	112896.80	16334.51	
STATE W/H -	2959.82	110.00	5664.09	245.00	98608.80	1645.93	5664.09	245.00	112896.80	2245.93	
FICA -	3115.60	193.17	5979.57	370.73	98608.80	6113.75	5979.57	370.73	113683.54	7048.38	
MEDICARE -	3115.60	45.18	5979.57	86.70	98608.80	1429.83	5979.57	86.70	113683.54	1648.41	
KIC CREDIT -		0.00		0.00		0.00		0.00		0.00	

2021 PAYROLL HISTORY REPORT

EMPLOYEE WITH 20YRS OF SERVICE OR MORE
 MAY CARRY OVER A MAXIMUM OF
100 DAYS/800 HOURS

FINAL PAY DATE 01/29/2021
1,248 VACATION HRS = \$97,206.72 AWARDED

1,248 HRS AWARDED [\$97,206.72]
 (-)
800 HRS MAX [\$62,312.00]
 =
448 HRS OVERPAID [\$34,894.72]

AS PER YUKON PERSONNEL
 MANUAL [REVISED 11/2022]

MAXIMUM VACATION ACCUMULATION - An employee may accumulate vacation leave not to exceed the following schedule (employees governed by collective bargaining agreements will receive vacation leave in accordance with their current contract).

Vacation leave not used in one year can be carried over to the next year until the employee reaches a limit of **24 days or 192 hours (for 5 years of service or less)** or **75 days or 600 hours (who have completed 5 years through 20 years of service)**. **Employees with 20 years of service or more may carry a maximum of 100 days or 800 hours.**

Once an employee is at the maximum vacation accrual, the employee will no longer be allowed to accrue additional vacation days. Days lost due to maximum accrual will not be given back.

Overpayment of former city manager \$34,894.72

APPENDIX I – DIVERSION OF FUNDS / YCSF

2008 contract between Yukon Municipal Authority and Integris Health.

**CITY OF YUKON
LIMITED WATER TOWER
LEASE AGREEMENT**

This Indenture made this 1 day of July, 2008, by and between Yukon Municipal Authority, Canadian County, Oklahoma, party of the first part, hereinafter referred to as Lessor, and Integris Health, Inc., party of the second part, hereinafter referred to as Lessee,

WITNESSETH,

In consideration of the payments stipulated in this Lease, to be paid to the Lessor by the Lessee, the Lessor does hereby lease for the purposes hereinafter mentioned unto the Lessee the following described non-exclusive advertisement space on the water tower situated in Canadian County, State of Oklahoma, to-wit:

The fee simple interest to the surface only in a tract of land lying in the Southwest Quarter of Section 29, Township 12 North, Range 5 West of the Indian Meridian, Canadian County, Oklahoma, and being described more particularly as follows:

Commencing at a point 50.00 feet North of the Southeast Corner of said Southwest Quarter for a point of beginning; thence North a distance of 250.00 feet; thence West a distance of 250.00 feet; thence South a distance of 250.00 feet; thence East a distance of 250.00 feet to the point or place of beginning, containing 62,500 square feet or 1.43 acres, ore or less.

The advertisement space herein let is more particularly described on the drawing attached hereto as exhibit A.

It is the intent of the Lessor to lease to Lessee the above described water tower for the sole and only purpose of placing Lessee's name and logo as advertisement.

Lessor agrees that Lessee may paint copy of name and logo on said tower, subject to approval by Lessor which may not be unreasonably withheld, and it is understood and agreed that any and all costs and expenses for such painting and maintenance shall be paid by Lessee.

Lessee further agrees to keep and maintain all portions of the signage let by the terms of this contract in a good state, and to hold said Lessor free from any and all expenses related to signage on said water tower except reasonable general maintenance of the water tower for which Lessor will be responsible.

Lessee shall be allowed to illuminate the sign consistent with the Ordinances of the City of Yukon and with the written approval of the Yukon City Manager, at Lessee's expense. City shall cooperate in the location of utilities and power generating equipment associated with illumination.

The Lessee, for and in consideration of the uses and possession of said premises for a period of ten (10) years beginning March 1, 2008, does hereby agree to pay unto Lessor, as follows: the sum of Seventy-Five Thousand Dollars (\$75,000.00) paid on or before July 1, 2008, with said monies being dedicated to the renovation and new playground equipment at Freedom Trail Playground.

The Lessee further agrees to hold Lessor free and harmless and does hereby release said Lessor from any and all claims for damages that occur to any portion of the signage here let, during the term granted.

Lessor and Lessee agree that this lease is terminable upon ninety (90) days written notice.

It is further agreed that this Agreement shall be binding upon the heirs, executors, administrators, devisees, trustees and assigns of the parties hereto.

Any notices provided for herein shall be deemed received three days after mailing provided the notice is mailed by first class mail, postage prepaid.

If to the LESSOR
c/o City Manager
City of Yukon
P.O. Box 850500
Yukon, OK 73085

If to the LESSEE
Integris Health, Inc.
c/o Stanley Hupfeld
3366 N. W. Expressway, Suite 800
Oklahoma City, OK 73112

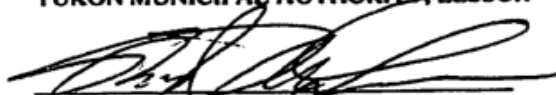
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

YUKON MUNICIPAL AUTHORITY, LESSOR

Attest:

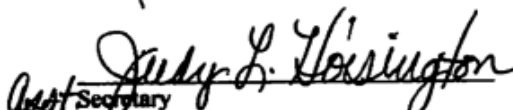

Secretary

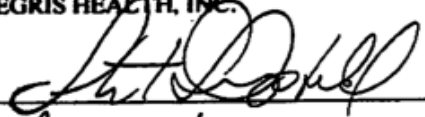



Chairman

INTEGRIS HEALTH, INC.

ATTEST:


Asst Secretary
[Seal]

By 
Its President & CEO

STATE OF OKLAHOMA)
) SS:
COUNTY OF CANADIAN)

Before me, the undersigned, a Notary Public within and for the State of Oklahoma and the County of Canadian, on this 16th day of July, 2008, personally appeared Stanley F. Hupfeld, to me known to be the identical person who signed the within and foregoing instrument and personally acknowledged to me that he/she has read, understood and signed the same, and that he/she executed the same as his/her free and voluntary act and deed for the uses and purposes set forth.

My Commission Expires: 5/24/09


Notary Public



Deposit document showing the 2008 Integris check being deposited into the YCSF bank account.

Yukon Community Support Foundation

Date 8/14 Submitted by _____ Receipt # _____ to _____

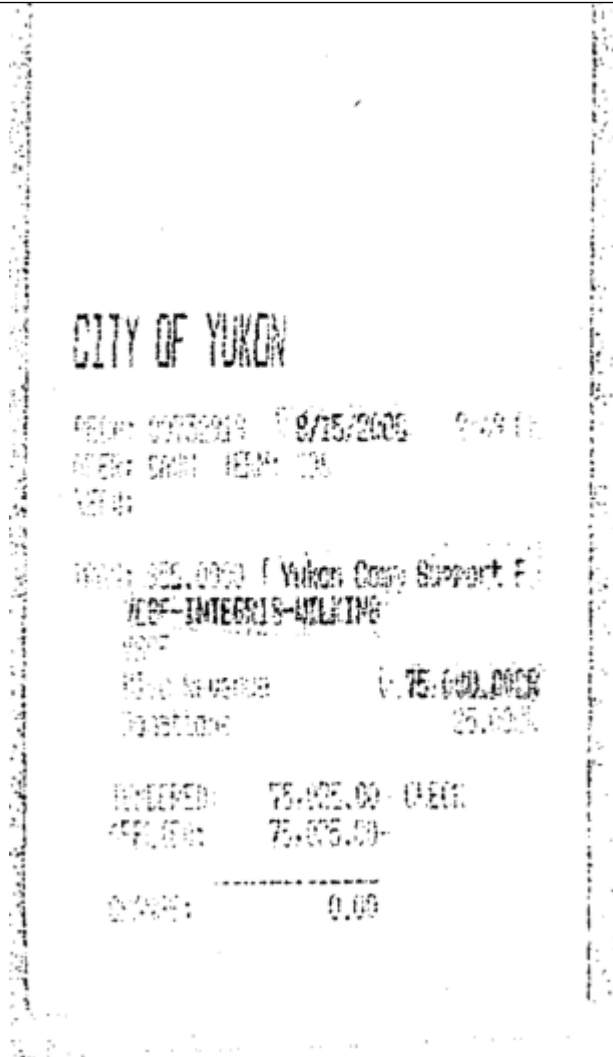
Cash \$ _____
 Checks _____
 Coins _____
 TOTAL \$ _____

TRANS CODE	PROGRAM	DETAILS	AMOUNT
955.0000	Christmas in the Park Donations		
	Memory Trees		
	Sell of Christmas Display		
	Philharmonic Tickets/Sponsors		
	Freedom Fest		
	Chisholm Trail Festival		
	Donations - Trees		
	Festival Friends		
	Misc Revenue	<u>Integris</u>	<u>75,000⁰⁰</u>
	Membership Dues		
	Donations	<u>Wilkins</u>	<u>25.00</u>
956.0000	Accts Rec. NSF Checks		
	Return Check Charges		

City Hall Use Only:

Amount of Deposit \$ 75,025.00
 Date 8/15/08 Verified by _____
 Receipt # 732919

Deposit receipt dated 8/15/2008 from the City Cashier showing \$75,000 being deposited into the Yukon Community Support Foundation.



THIS DOCUMENT IS NOT VALID
Cashing this check signifies compliance with the INTEGRIS Health Code of Conduct located at www.integrishk.com

INTEGRIS
Health

Accounts Payable 001-7081B

Bank Of Oklahoma

A-105/1031

VOID AFTER 180 DAYS

CHECK DATE	CHECK NUMBER	NET AMOUNT
08/07/2008	3740881	\$75,000.00

PAY Seventy-Five Thousand and NO/100 Dollars

To **CITY OF YUKON**
The Order Of

Steve Hupler
AUTHORIZED SIGNATURE

2008 check from Integris Health made payable to the City of Yukon.

DocuSign Envelope ID: 92EEF65D-FF0D-40E3-9868-C7D40D116FFD

2019 contract between Yukon Municipal Authority and Integris Health.

**CITY OF YUKON
LIMITED WATER TOWER
LEASE AGREEMENT
10th STREET WATER TOWER**

This Indenture made, this 5th day of June 2019, by and between Yukon Municipal Authority, Canadian County, Oklahoma, party of the first part, hereinafter referred to as Lessor, and INTEGRIS HEALTH, INC., party of the second part, hereinafter referred to as Lessee,

WITNESSETH,

Inconsideration of the payments stipulated in this Lease, to be paid to the Lessor by the Lessee, the Lessor does hereby lease for the purposes hereinafter mentioned unto the Lessee the following described non-exclusive advertisement space on the 10th Street Water Tower situated in Canadian County, State of Oklahoma, to-wit:

The fee simple interest to the surface only in a tract of land lying in the Southwest Quarter of Section 29, Township 12 North, Range. 5 West of the Indian Meridian, Canadian County, Oklahoma, and being described more particularly as follows:

Commencing at a point 50.00 feet North of the Southeast Corner of said Southwest Quarter for a point of beginning; thence North a distance of 250.00 feet; thence West a distance of 250.00 feet; thence South a distance of 250.00 feet.; thence East a distance of 250.00 feet to the point or place of beginning, containing 62,500 square feet or 1.43 acres, are or less.

The advertisement space herein let is more particularly described on the drawing attached hereto as exhibit A.

It is the intent of the Lessor to lease to Lessee the above described water tower for the sole and only purpose of placing Lessee's name and logo as advertisement.

Lessor agrees that Lessee may paint copy of name and logo on said tower, subject to approval by Lessor which may not be unreasonably withheld, and it is understood and agreed that any and all costs and expenses for such painting and maintenance shall be paid by Lessee.

DocuSign Envelope ID: 92EEF65D-FF0D-40E3-9B68-C7D40D116FFD

Lessee further agrees to keep and maintain all portions of the signage let by the terms of this contract in a good state, and to hold said Lessor free from any and all expenses related to signage on said water tower except reasonable general maintenance of the water tower for which Lessor will be responsible.

Lessee shall be allowed to illuminate the sign consistent with the Ordinances of the City of Yukon and with the written approval of the Yukon City Manager, at Lessee's expense. City shall cooperate in the location of utilities and power generating equipment associated with illumination.

The Lessee, for and in consideration of the uses and possession of said premises for a period often (10) years beginning July 1, 2019, does hereby agree to pay unto Lessor, as follows: the sum of Seventy-Five Thousand Dollars (\$75,000.00) paid on or before September 1, 2019.

The Lessee further agrees to hold Lessor free and harmless and does hereby release said Lessor from any and all claims for damages that occur to any portion of the signage here let, during the term granted.

Lessor and Lessee agree that this lease is terminable upon ninety (90) days written notice.

It is further agreed that this Agreement shall be binding upon the heirs, executors, administrators, devisees, trustees and assigns of the parties hereto.

Any notices provided for herein shall be deemed received three days after mailing provided the notice is mailed by first class mail, postage prepaid.

DocuSign Envelope ID: 0FD38417-926F-4583-AB7E-E0F13EFAAF70

Second 2008 contract between Yukon Municipal Authority and Integris Health.

**CITY OF YUKON
LIMITED WATER TOWER
LEASE AGREEMENT
FRISCO ROAD WATER TOWER**

This Indenture made, this 5th day of June 2019, by and between Yukon Municipal Authority, Canadian County, Oklahoma, party of the first part, hereinafter referred to as Lessor, and INTEGRIS HEALTH, INC., party of the second part, hereinafter referred to as Lessee,

WITNESSETH,

Inconsideration of the payments stipulated in this Lease, to be paid to the Lessor by the Lessee, the Lessor does hereby lease for the purposes hereinafter mentioned unto the Lessee the following described non-exclusive advertisement space on the Frisco Road Water Tower situated in Canadian County, State of Oklahoma, to-wit:

A tract of land situated in Government Lot Three (3) of Section Nineteen (19), Township Twelve North (T12N), Range Five West of the Indian Meridian (R5W.1M.), Canadian County, Oklahoma, more particularly described as follows:

Beginning at point on the North boundary of said Government Lot 3, said point being 75.00 feet East (N 89°51'28"E) of the Northwest corner of said Government Lot 3, thence continuing East (N 89°51'28"E) along the North boundary of said Government Lot 3 a distance of 185.00 feet, thence South (S 00°03'04"W) parallel with the West boundary of said Section 19 a distance of 204.08 feet, thence West (N 89°58'58"W) a distance of 160.00 feet, thence Northwest (N 44°56'56"W) a distance of 35.36 feet, thence North (N 00°03'04"E) parallel with the West boundary of said Section 19 a distance of 178.98 feet, to the point of beginning, said tract containing 0.86 acres.

The advertisement space herein let is more particularly described on the drawing attached hereto as exhibit A.

It is the intent of the Lessor to lease to Lessee the above described water tower for the sole and only purpose of placing Lessee's name and logo as advertisement.

Lessor agrees that Lessee may paint copy of name and logo on said tower, subject to approval by Lessor which may not be unreasonably withheld, and it is

DocuSign Envelope ID: 0FD38417-926F-4583-AB7E-E0F13EFAAF70

understood and agreed that any and all costs and expenses for such painting and maintenance shall be paid by Lessee.

Lessee further agrees to keep and maintain all portions of the signage let by the terms of this contract in a good state, and to hold said Lessor free from any and all expenses related to signage on said water tower except reasonable general maintenance of the water tower for which Lessor will be responsible.

Lessee shall be allowed to illuminate the sign consistent with the Ordinances of the City of Yukon and with the written approval of the Yukon City Manager, at Lessee's expense. City shall cooperate in the location of utilities and power generating equipment associated with illumination.

The Lessee, for and in consideration of the uses and possession of said premises for a period often (10) years beginning July 1, 2019, does hereby agree to pay unto Lessor, as follows: the sum of Thirty-Five Thousand Dollars (\$35,000.00) paid on or before September 1, 2019.

The Lessee further agrees to hold Lessor free and harmless and does hereby release said Lessor from any and all claims for damages that occur to any portion of the signage here let, during the term granted.

Lessor and Lessee agree that this lease is terminable upon ninety (90) days written notice.

It is further agreed that this Agreement shall be binding upon the heirs, executors, administrators, devisees, trustees and assigns of the parties hereto.

Any notices provided for herein shall be deemed received three days after mailing provided the notice is mailed by first class mail, postage prepaid.

Internal email between Yukon employees directing that the 2018 Integris Health funds be deposited into the YCSF bank account.

From: @yukonok.gov>
Sent: Monday, March 26, 2018 4:55 PM
To: @yukonok.gov>
Cc: @yukonok.gov>
Subject: Water Tower Lease

Hello,

When the funds are received for the Integris Water Tower Lease, please deposit in the YCSF account.
(Per) -

Thank you.

Deposit receipt dated 7/1/2019 from the City Cashier showing \$75,000 being deposited into the Yukon Community Support Foundation.


CITY OF YUKON

REC#: 0154947C 7/01/2019 11:09 AM
TYPE: CASH TERM: 006
REF#:

TRF#: 035.0000 Yukon Comm Support F
INTEGRIS CAN VAL HOSP-TOWER LS
YCSF
4100 Revenue 75,000.00CR

DEBITED: 75,000.00 CHECK
CREDITED: 75,000.00-

BALANCE: C.00

INTEGRIS		Void after 180 days	CHECK NO. 8000069525	86-3/1039
Integrus Health Phone: 405-949-3078 Accounts Payable 001-7081 3300 N.W. Expressway Oklahoma City OK, 73112			DATE OF CHECK 06/26/19	
PAY: SEVENTY FIVE THOUSAND AND 00/100 DOLLARS			CHECK AMOUNT \$75,000.00	
TO THE ORDER OF	YUKON COMMUNITY SUPPORT FOUNDATION			
BANK OF OKLAHOMA			 Authorized Signature	

2019 check from Integrus Health made payable to YCSF.

CITY OF YUKON

REC#: 15557E3 7/22/2019 1:05 PM
DPE#: CASH TERM: 006
REF#:

TRAIL: 355.0000 Yukon Comm Support F
INTEGRIS HOSP-TOWER LEASE
YCSF
Misc Revenue 35,000.00CR

RENDERED: 35,000.00 CHECK
DEBITED: 35,000.00-

CHANGE: C.00

Deposit receipt dated 7/1/2019 from the City Cashier showing \$75,000 being deposited into the Yukon Community Support Foundation.

INTEGRIS

Void after 180 days

CHECK NO. 8000072156

86-3/1039

Integrus Health
Phone: 405-949-3078
Accounts Payable 001-7081
3300 N.W. Expressway
Oklahoma City OK, 73112

DATE OF CHECK
07/17/19

PAY: THIRTY FIVE THOUSAND AND 00/100 DOLLARS

CHECK AMOUNT
\$35,000.00

TO THE ORDER OF YUKON COMMUNITY SUPPORT
FOUNDATION

BANK OF OKLAHOMA


Authorized Signature

2019 check from Integrus Health made payable to YCSF.

Deposit of Integris Health funds into the YSCF bank account.



YUKON COMMUNITY SUPPORT FOUNDATION

Account Number	Starting Date Jul 01, 2019	Ending Date Jul 31, 2019
----------------	-------------------------------	-----------------------------

Summary Of Deposit Accounts For Member

Account	Account Number	Balance
City NOW		
Total Deposit Account Balance		

**City NOW (Checking) -
Account Summary for City NOW (Checking) -**

Starting Balance	+	Deposits	+	Interest Paid	-	Withdrawals	-	Service Charges	=	Ending Balance
------------------	---	----------	---	---------------	---	-------------	---	-----------------	---	----------------

Transactions for City NOW (Checking)

Date	Description	Withdrawals	Deposits
07/01/19	Previous Balance		
07/02/19	Deposit		\$75,000.00
07/03/19	Deposit		\$150.00
07/05/19	Check 1038	-\$1,350.00	
07/08/19	Deposit		\$150.00
07/09/19	Descriptive Deposit CDARS quarterly interest YCSF		\$965.47
07/09/19	Descriptive Deposit CDARS quarterly interest YCSF		\$965.47
07/09/19	Descriptive Deposit CDARS quarterly interest YCSF		\$989.48
07/12/19	Deposit		\$1,000.00
07/12/19	Check 1039	-\$10,500.00	
07/16/19	Check 1041	-\$33.45	
07/16/19	Check 1040	-\$50.00	
07/19/19	Deposit		\$20,000.00
07/23/19	Deposit		\$35,000.00
07/23/19	Deposit Internet Transfer from 700029280 CK		\$2,500.00
07/24/19	Check 1042	-\$7,170.60	
07/29/19	Deposit		\$8,300.00
07/30/19	Check 1043	-\$65,109.79	
07/31/19	Credit Interest		\$12.38

- 7. Consider authorizing the City Engineer to advertise bids for the City of Yukon Public Works Department Maintenance Facility Project and Yukon Community Support Foundation Storage Facility, located on Ash Street and west of State Hwy 4 (Cotton Gin site), to be paid from the Yukon Community Support Foundation funds**

The motion to authorize the City Engineer to advertise bids for the City of Yukon Public Works Department Maintenance Facility Project and Yukon Community Support Foundation Storage Facility, located on Ash Street and west of State Hwy 4 (Cotton Gin site), to be paid from the Yukon Community Support Foundation funds, was made by Council Member Yanda and seconded by Council Member Russell.

The vote:
AYES: Alberts, Yanda, Russell, McEachern
NAYS: None
VOTE: 4-0
MOTION CARRIED

- 8. Consider a motion to recess as Yukon City Council and convene into Executive Session, for annual contract review of the City Manager, as provided for in 25 OS 2003, Section 307 (B) (1)**

This item was pulled from the agenda.

- 9. Consider a motion to adjourn from Executive Session and reconvene as Yukon City Council**

This item was pulled from the agenda.

- 10. Consideration, discussion, and possible action regarding the City Manager's employment contract**

This item was pulled from the agenda.

- 11. New Business – No new business**

- 12. Council Discussion**

Council Member Yanda no discussion.

Council Member Russell thanked all in attendance.

Council Member McEachern thanked Claudia for her work on the grant. Yukon is a great place.

Mayor Alberts thanked John Michael Williams and Randy Wright for their work on the loan. Council Member Smaistris was absent due to her daughter's illness, please keep her in your thoughts. Remembered Judy Chancellor and her impact in Yukon.

- 13. Adjournment**

Yukon City Council Minutes - Understanding that YCSF was to pay for the one storage building.

Mayor

Doug Shivers, City Clerk

YCSF Minutes - Understanding that YCSF was to pay for the one storage building.

**Yukon Community Support Foundation Minutes
January 31, 2017
Page 2**

Ray Wright discussed the unattractive fence that runs along the south side of Holly in front of the Community Center and he feels it should be replaced. Ray reported this is the State of Oklahoma's fence and Joe Davis said it serves no purpose. He said he feels the Foundation should be publicizing the projects we fund, to the public.

**5. Reports of committees
None**

**6. Consideration of possible approval of proposed park projects
Jan Scott discussed a future plaza as a park project at the Spirit League Field.**

**7. Consider approval of the Kirkpatrick Family Fund Grant application for 2018
Motion was made by Jan Scott and second by Tammy Kretchmar to approve the application submittal of the Kirkpatrick Family Fund Grant in 2017 for 2018 special events.**

**The vote on the motion:
AYES: Scott, Crosby, Wright, Kretchmar
NAYS: None
VOTE: 4-0**

**8. Discussion and approval of construction of a 5,000 sq. ft. structure to store Christmas decorations.
Jim Crosby explained the new building will have large doors, Heat, but no AC. There will be limited access to the building. Motion by Jan Scott and seconded by Ray Wright for the YCSF to pay for this storage building.**

**The vote on the motion:
AYES: Scott, Crosby, Wright, Kretchmar
NAYS: None
VOTE: 4-0**

MOTION CARRIED

**9. Election of officers for 2017
Jim Crosby made a motion to appoint Ray Wright as President, Tammy Kretchmar as Treasurer and Jan Scott as Secretary of the Yukon Community Support Foundation Board of Directors for 2017. Jan Scott made the second to the motion.**

APPENDIX J – INVESTIGATION MEMO / CITY MAYOR

MEMO-CITY

TO: Human Resource Director's file

FROM: Mayor of Yukon

RE: Allegations concerning [REDACTED]

DATE: September 9, 2020

As Mayor, I have received certain allegations concerning the conduct of the [REDACTED] and certain City Employees. As Mayor, it is important that all complaints of wrongdoing by any City employee, be reviewed and if determined to be correct, the appropriate action to be taken. The City employees are the life blood of the City and it is vitally important for a healthy, prosperous City, that every City employee enjoy their workplace, their job duties, their fellow employees and be free to develop a rewarding career with the City.

In reviewing the current allegations, I found they are very personal, humiliating, embarrassing and private and could be very harmful to the reputation and career of the employees and the employees' families. Therefore, before directing a full investigation of the allegations, I am conducting a Pre-Investigation Review and inquiry to determine if there is a shred of justification to warrant a full investigation that could publicly harm the employees' honor, reputations, families and careers.

As part of a Pre-Investigation Review, I have reviewed various files, reviewed various employees' work histories, history of the allegations, any and all complaints filed with the City concerning the allegations, the City's previous timely response to similar allegations and other aspects of the current allegations.

I have not conducted a full investigation, nor have I authorized a full investigation. What I found in the course of a Pre-Investigation Review is that these are not new allegations, but the allegations are years old and occasionally resurface and get repeated. I further find that the City has taken reasonable steps to investigate the allegations and to determine if there is any truth to the allegations. I further find there is nothing to support or substantiate any of the allegations. There are no formal complaints filed, no written statements, no witnesses, no evidence of favoritism shown or any other evidence of any kind, to justify a full investigation. There are only bare, unsupported allegations that without some facts to support the allegations could be unfairly damaging to other employees' reputations and careers.

As a result of this Pre-Investigation Review and the finding of no evidence to support the allegations, I will not authorize a full investigation and expose the City's valuable, hardworking employees to public humiliation, embarrassment, and criticisms that could and would result.

At this time, I am closing the file on these unfounded allegations and there will not be any additional steps taken without supporting evidence.


Mayor of the City of Yukon

APPENDIX K – PERSONAL USE OF CITY VEHICLE

From:
Sent: Thursday, March 24, 2016 1:45 PM
To:
Subject: Re: Questions
Attachments: image001.jpg

I think everything is correct. I presently do not plan on using the city car for personal use but at most 5 percent

Sent from my iPad

On Mar 24, 2016, at 11:32 AM, @cityofyukonok.gov wrote:

Good Morning!

Do you know what vehicle you will be driving? Also, what percentage of time will this be used for personal use? I will need to calculate your usage charge for IRS compliance.

www.cityofyukonok.gov

APPENDIX L – ANOMALIES IN FUELMASTER LOGS

FUELMASTER TRANSACTION LISTING

TRANSACTIONS LISTED BY USER ID

From Date: 7/1/1996
Time: 12:00:00AM

To Date: 11/22/2024
Time: 1:37:59PM

Page 4 of 14

Print Date: 11/22/2024 Time: 1:48:19PM

Transactions for USER ID: 000009007

Transactions for User 000009007 :

Date	Time	TC	Site	ID	Odometer	Hose	Prod	Unit Cost	Quantity	Total
8/17/2017	8:48:00AM	00	0698	102-3388	29,698	1	1	0.0000	17.00GL	0.00
8/25/2017	8:33:00AM	00	0698	102-3388	30,281	1	1	0.0000	16.70GL	0.00
8/31/2017	9:39:00AM	00	0698	102-3388	30,646	1	1	0.0000	20.30GL	0.00
9/4/2017	12:50:00PM	00	0698	102-3388	30,952	1	1	0.0000	17.10GL	0.00
9/8/2017	10:03:00AM	00	0698	102-3388	31,167	1	1	0.0000	12.30GL	0.00
9/11/2017	4:36:00PM	00	0698	102-3388	31,329	1	1	0.0000	9.00GL	0.00
9/12/2017	4:31:00PM	00	0698	102-3388	31,581	1	1	0.0000	12.80GL	0.00
9/14/2017	1:15:00PM	00	0698	102-3388	31,944	1	1	0.0000	17.60GL	0.00
9/19/2017	8:50:00AM	00	0698	102-3388	32,316	1	1	0.0000	21.50GL	0.00
9/22/2017	8:33:00AM	00	0698	102-3388	32,538	1	1	0.0000	12.90GL	0.00
9/25/2017	7:30:00PM	00	0698	102-3388	32,798	1	1	0.0000	15.10GL	0.00
9/29/2017	10:52:00AM	00	0698	102-3388	33,035	1	1	0.0000	14.10GL	0.00
10/3/2017	8:19:00AM	00	0698	112-1518	39,977	1	1	0.0000	17.70GL	0.00
10/3/2017	8:57:00AM	00	0698	102-3388	33,557	1	1	0.0000	24.40GL	0.00
10/6/2017	10:20:00AM	00	0698	102-3388	33,789	1	1	0.0000	13.60GL	0.00
10/12/2017	8:34:00AM	00	0698	102-3388	34,117	1	1	0.0000	19.50GL	0.00
10/16/2017	5:00:00PM	00	0698	102-3388	34,465	1	1	0.0000	20.00GL	0.00
10/28/2017	7:34:00AM	00	0698	102-3388	34,751	1	1	0.0000	17.60GL	0.00
10/31/2017	1:33:00PM	00	0698	102-3388	34,948	1	1	0.0000	12.20GL	0.00
11/1/2017	5:30:00PM	00	0698	102-3388	35,420	1	1	0.0000	24.40GL	0.00
11/6/2017	10:19:00AM	00	0698	102-3388	35,777	1	1	0.0000	19.20GL	0.00
11/10/2017	3:19:00PM	00	0698	102-3388	36,059	1	1	0.0000	17.10GL	0.00
11/13/2017	4:05:00PM	00	0698	102-3388	36,259	1	1	0.0000	12.00GL	0.00
11/22/2017	8:30:00AM	00	0698	102-3388	36,444	1	1	0.0000	11.40GL	0.00
11/30/2017	2:00:00PM	00	0698	102-3388	36,710	1	1	0.0000	15.70GL	0.00
12/5/2017	8:16:00AM	00	0698	102-3388	36,921	1	1	0.0000	12.60GL	0.00
12/9/2017	10:14:00AM	00	0698	102-3388	37,144	1	1	0.0000	12.70GL	0.00
12/13/2017	8:24:00AM	00	0698	102-3388	37,384	1	1	0.0000	15.40GL	0.00
12/16/2017	1:46:00PM	00	0698	102-3388	37,613	1	1	0.0000	13.70GL	0.00
12/17/2017	2:16:00PM	00	0698	102-3388	39,916	1	1	0.0000	16.10GL	0.00

In the example above, December 16, 2017 was a Saturday and December 17, 2017 was a Sunday. This is an example of a weekend fill up. We noted that the mileage appeared to be an anomaly, however the 2,303 miles in one day could be indicative of a typo. However, mileage anomalies would also be expected if a personal auto would be filled for example. Resolving differences timely is why fuel logs should be continually monitored.

FUELMASTER TRANSACTION LISTING

TRANSACTIONS LISTED BY USER ID

From Date: 7/1/1996
Time: 12:00:00AM

To Date: 11/22/2024
Time: 1:37:59PM

Page 5 of 14

Print Date: 11/22/2024 Time: 1:48:19PM

Transactions for USER ID: 000009007

Transactions for User 000009007 :

Date	Time	TC	Site	ID	Odometer	Hose	Prod	Unit Cost	Quantity	Total
12/23/2017	9:14:00AM	00	0698	102-3388	38,138	1	1	0.0000	14.20GL	0.00
12/28/2017	10:51:00AM	00	0698	102-3388	38,271	1	1	0.0000	9.70GL	0.00
1/3/2018	8:34:00AM	00	0698	102-3388	38,530	1	1	0.0000	18.10GL	0.00
1/8/2018	1:43:00PM	00	0698	102-3388	38,823	1	1	0.0000	18.30GL	0.00
1/12/2018	1:19:00PM	00	0698	102-3388	39,104	1	1	0.0000	12.20GL	0.00
2/7/2018	8:31:00AM	00	0698	102-3388	40,756	1	1	0.0000	17.80GL	0.00
2/12/2018	1:37:00PM	00	0698	102-3388	41,028	1	1	0.0000	16.30GL	0.00
2/17/2018	9:04:00AM	00	0698	102-3388	41,260	1	1	0.0000	13.20GL	0.00
2/20/2018	11:16:00AM	00	0698	102-3388	41,507	1	1	0.0000	13.50GL	0.00
2/24/2018	11:23:00AM	00	0698	102-3388	41,654	1	1	0.0000	9.30GL	0.00
2/28/2018	8:24:00AM	00	0698	102-3388	41,928	1	1	0.0000	16.20GL	0.00
3/3/2018	8:54:00AM	00	0698	102-3388	42,087	1	1	0.0000	9.00GL	0.00
3/5/2018	4:53:00PM	00	0698	102-3388	42,212	1	1	0.0000	7.50GL	0.00
3/7/2018	4:23:00PM	00	0698	102-3388	42,466	1	1	0.0000	13.30GL	0.00
3/16/2018	8:53:00AM	00	0698	102-3388	42,720	1	1	0.0000	15.00GL	0.00
3/21/2018	7:27:00AM	00	0698	102-3388	42,975	1	1	0.0000	14.70GL	0.00
3/27/2018	10:35:00AM	00	0698	102-3388	43,243	1	1	0.0000	14.10GL	0.00
3/30/2018	8:55:00AM	00	0698	102-3388	43,370	1	1	0.0000	7.90GL	0.00
4/3/2018	4:23:00PM	00	0698	102-3388	43,563	1	1	0.0000	10.50GL	0.00
4/9/2018	9:54:00AM	00	0698	102-3388	43,833	1	1	2.1060	16.40GL	34.54
4/13/2018	8:19:00AM	00	0698	102-3388	44,086	1	1	2.1060	14.70GL	30.96
4/19/2018	8:25:00AM	00	0698	102-3388	44,346	1	1	2.1060	15.60GL	32.85
4/23/2018	7:53:00AM	00	0698	102-3388	44,618	1	1	2.1060	15.50GL	32.64
4/27/2018	9:09:00AM	00	0698	102-3388	44,843	1	1	2.1060	12.20GL	25.69
5/1/2018	8:21:00AM	00	0698	102-3388	45,063	1	1	2.1060	12.90GL	27.17
5/4/2018	11:15:00AM	00	0698	102-3388	45,220	1	1	2.1060	9.60GL	20.22
5/9/2018	2:15:00PM	00	0698	102-3388	45,549	1	1	2.1060	17.60GL	37.07
5/14/2018	3:36:00PM	00	0698	102-3388	45,876	1	1	2.1060	18.70GL	39.38
5/20/2018	1:13:00PM	00	0698	102-3388	46,152	1	1	2.1060	15.40GL	32.43
5/24/2018	10:24:00AM	00	0698	102-3388	46,467	1	1	2.1060	16.70GL	35.17
5/28/2018	10:32:00AM	00	0698	102-3388	46,658	1	1	2.1060	10.80GL	22.74

APPENDIX M – VACATION ACCRUAL / EMPLOYEE HANDBOOK

603 - VACATION LEAVE

Paid vacation leave is given so that regular full-time employees and all regular part-time employees who work twenty-nine (29) hours per week for fifty-two (52) continuous weeks may relax from the everyday work routines and return refreshed to their work without loss of pay. Temporary, seasonal, and emergency employees shall not be entitled to paid vacation leave.

VACATION TIME - An employee who begins employment with the City of Yukon between the 1st and the 15th of the month will earn vacation leave for the entire month. If an employee begins work for the City of Yukon between the 16th and the end of the month, they will not earn vacation leave for that month. An employee who terminates employment with the City of Yukon between the 1st and the 15th of the month will not earn any vacation leave for that month. If an employee terminates employment between the 16th and the end of the month, they will earn vacation for the entire month. Requests for vacation leave in less than two (2) working days may not be granted because of the short notice period and the department workload.

Vacation leave shall be earned by regular full-time employees as follows (employees governed by collective bargaining agreements will receive vacation leave in accordance with their current contract):

LENGTH OF CITY SERVICE	VACATION DAY EARNED
0 - 9 years	8 hours per month
10 -14 years	12 hours per month
15 years and over	16 hours per month

Employees must complete the entire years of service before they are eligible for the next level of vacation leave.

ADMINISTRATION - Vacation leave with pay shall be granted to employees in accordance with the following provisions: (employees governed by collective bargaining agreements will receive vacation leave in accordance with their current contract)

- (a) An employee must have been employed by the City of Yukon continuously for six (6) months before being eligible to use vacation leave.
- (b) Vacation leave shall not be converted from sick leave.
- (c) Employees shall not be permitted to use earned vacation leave time during a period of suspension, short-term disability, or unpaid leave.
- (d) Vacation leave may not be granted for less than a minimum of two (2) hours for general employees.
- (e) Upon separation, an employee shall be paid for the unused portion of the employee's earned vacation leave, providing the employee has completed six (6) continuous months of employment with the City of Yukon.
- (f) Payment shall not be paid in lieu of vacations, except in extreme emergencies and only with the approval of the City Manager.

- (g) Scheduling of vacations shall be the responsibility of the department director and/or the employee's immediate supervisor.
- (h) Employees may only take the amount of vacation leave time, which has been earned. Vacation leave time which has not been earned cannot be "advanced" to employees.
- (i) The City of Yukon shall have the exclusive right of scheduling vacations. Employees must realize that the needs of the City of Yukon shall receive first consideration when annual vacations are granted. Therefore, all employees applying for annual vacation leave must receive approval of proposed vacation leave from their appropriate director/supervisor. Directors/supervisors shall consider the seasonal demand upon their respective activities when scheduling vacations and spread vacations over as wide of a period as possible in order to avoid significant reductions in services provided by the City of Yukon.

MAXIMUM VACATION ACCUMULATION - An employee may accumulate vacation leave not to exceed the following schedule (employees governed by collective bargaining agreements will receive vacation leave in accordance with their current contract).

Vacation leave not used in one year can be carried over to the next year until the employee reaches a limit of **24 days or 192 hours (for 5 years of service or less)** or **75 days or 600 hours (who have completed 5 years through 20 years of service)**. Employees with **20 years of service or more may carry a maximum of 100 days or 800 hours**.

Once an employee is at the maximum vacation accrual, the employee will no longer be allowed to accrue additional vacation days. Days lost due to maximum accrual will not be given back.

REGULAR PART-TIME EMPLOYEES - All regular part-time employees who work twenty-nine (29) hours per week for fifty-two (52) continuous weeks shall earn vacation leave at the rate of one-half (1/2) workday, or four (4) hours, per month. Accumulation of vacation leave shall not exceed ninety-six (96) hours.

604 - SICK LEAVE

Sick leave usage is limited to cases of illness or an injury, off the job, of the **employee**.

Abuse of the sick leave privilege may be cause for disciplinary action up to and including termination. Sick leave may be taken in one (1) hour increments.

Sick leave notification – An employee who is absent from work because of an illness or injury, that is not job related, shall make provisions to notify his or her director/supervisor at least thirty (30) minutes prior to when the employee is scheduled to start to work. An employee who is frequently absent for one (1) day illnesses may be required to submit a physician's statement regarding the employee's illness(es). Employees who are absent for three (3) or more consecutive days may be required to submit a physician's statement. This statement must indicate that the employee has recovered sufficiently to return to work. The City of Yukon reserves the right to have the employee evaluated by the City of Yukon's physician to confirm that the employee is eligible to return to their normal duties.

ADMINISTRATION - Sick leave with pay shall be granted to employees in accordance with the following provisions: (employees governed by collective bargaining agreements (CBA) will receive vacation leave in accordance with their current contract)

- (a) Paid sick leave may not be used during the first six (6) months of employment.
- (b) In January of each year, full-time employees who have accumulated more than ninety (90) days of sick leave shall be reimbursed for all days accumulated in excess of ninety (90) at seventy-five percent (75%) of their current hourly rate.
- (c) Employees retiring from the City of Yukon under an approved retirement plan shall be reimbursed at seventy-five (75%) of their final hourly rate for all unused sick leave.
- (d) Employees terminating employment with the City of Yukon who have worked the number of years required to be vested in their individual retirement plan and who have accumulated the maximum number of sick leave days (90 days) allowed will be reimbursed for one-half (1/2) of all unused sick leave at seventy-five (75%) of their final hourly wage for all unused sick leave.
- (e) Employees terminating employment with the City of Yukon may not use sick leave once they have given their notice to leave. If payment of accrued sick leave is due it will be paid in accordance with Section 604 (c) or (d) and with your final payroll.
- (f) Employees may use only the amount of sick leave time, which has been accrued. Sick leave which has not been earned cannot be "advanced" to an employee.
- (g) An employee who begins employment with the City of Yukon between the 1st and the 15th of the month will earn sick leave for the entire month. If an employee begins between the 16th and the end of the month, they will not earn sick leave for that month. An employee who terminates employment with the City of Yukon between the 1st and the 15th of the month will not earn sick leave for that month. If they terminate between the 16th and the end of the month, they will earn sick leave for that entire month.

MAXIMUM SICK LEAVE ACCUMULATION - An employee may accumulate sick leave not to exceed the following schedule (employees governed by collective bargaining agreements will receive sick leave in accordance with their current contract).

Sick leave shall be earned at the rate of one (1) workday, or eight (8) hours, per month for full-time regular employees assigned to a thirty-seven and a half (37.5) and forty (40) hour workweek.

All regular part-time employees who work twenty-nine (29) hours per week for fifty-two (52) continuous weeks shall earn sick leave at the rate of one-half (1/2) workday, or four (4) hours, per month. Accumulation of sick leave shall not exceed ninety-six (96) hours.

605 - BORROWING LEAVE

The City of Yukon understands that there will be times when the employee will need to borrow leave in the case of an emergency. This program is available to all leave eligible employees. Please contact Human Resources for more information on this program.

APPENDIX N – SELECT 2015 FINANCIAL STATEMENT AUDIT FINDINGS (Unmitigated)

**CITY OF YUKON, OKLAHOMA
FINDINGS RELATED TO REPORT ON INTERNAL CONTROL AND
NONCOMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND AGREEMENTS
YEAR ENDED JUNE 30, 2015**

Finding No.	2015-1
Criteria:	Cash reconciliation reports are intended to provide management with control over cash in banks and financial institutions by reconciling the amounts reported in bank or investment account statements to amounts reflected in the books as reported in the City's general ledger. Cash reconciliation reports provide information about deposits in transit, outstanding checks and electronic payments as well as other matters that show differences between the books and the bank.
Condition:	Cash reconciliation reports presented to the City's outside accounting consultants and to our firm did not properly report reconciling items. There were a significant number of reconciling items that were not reported and the amounts were material.
Cause:	The City did not properly reconcile its cash and cash equivalent accounts and follow accepted accounting principles and procedures relevant to reconciling and reporting cash.
Effect or Potential Effect:	The City's balances in cash and cash equivalents by fund were misreported in cash reconciliation reports on an interim basis and at June 30, 2015, and outside accounting consultants had to make numerous material entries to correct these balances when this should have been part of normal accounting procedures.
Management's Response	We concur with the finding and recognize that our internal books and records for various cash and investment accounts were not being reconciled properly by fund during the year. The City has taken steps to both update the internal books and records to get current and has also instituted new reconciliation procedures to allow for a timely reconciliation of all cash and investment accounts to the City's internal books and records.

2015 Financial Statement Audit Finding regarding inadequate bank reconciliations. Our review indicated that bank reconciliations remain deficient.

**CITY OF YUKON, OKLAHOMA
FINDINGS RELATED TO REPORT ON INTERNAL CONTROL AND
NONCOMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND AGREEMENTS
YEAR ENDED JUNE 30, 2015**

Finding No.	2015-3
Criteria:	Municipalities expend resources to purchase capital assets such as land, buildings, infrastructure, equipment, vehicles and other capital assets. Detailed records of capital assets over an elected threshold are to be maintained in order to establish accountability for and control over these types of assets.
Condition:	The City updates its detailed accounting records of capital assets annually by hiring outside accounting consultants to account for asset purchases, transfers and dispositions and to account for depreciation of those assets. This accounting is sometimes performed months after the City's fiscal year.
Cause:	The City has not established internal controls and accounting procedures designed to update and account for capital assets as part of its routine monthly accounting procedures.
Effect or Potential Effect:	Failure to keep detailed accounting records creates a risk that some assets will be misreported or unaccounted for.
Management's Response	We concur with the finding. The City will begin reviewing various expenditure accounts more frequently to identify capital asset purchases made throughout the year in order to identify potential capital assets purchased and add them to the detail capital asset subsidiary list.

2015 Financial Statement Audit Finding regarding inadequate accounting for and tracking of assets. Our review indicated that bank reconciliations remain deficient.

**CITY OF YUKON, OKLAHOMA
FINDINGS RELATED TO REPORT ON INTERNAL CONTROL AND
NONCOMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND AGREEMENTS
YEAR ENDED JUNE 30, 2015**

Finding No.	2015-4
Criteria:	<p>The City's municipal ordinances require competitive bids on supplies, services, equipment or contracts of \$25,000 or more unless an emergency is declared and the bidding process is waived by the appropriate governing body. As an alternative to seeking bids, purchases can be made through an officially recognized state purchasing agency. For purchases between \$2,000 and \$25,000, the ordinances require price quotes from three vendors by direct mail, telephone or via public posting on a bulletin board in City Hall.</p> <p>The City is subject to Oklahoma laws that require municipalities to seek competitive bids and then award contracts to the lowest bidder when public construction contracts exceed \$50,000. Laws governing these types of contracts are outlined in the Oklahoma Public Competitive Bidding Act of 1974 (State Statute 61). Public construction contracts of \$50,000 or less shall be let and awarded to the lowest responsible bidder by receipt of written bids or awarded on the basis of competitive quotes to the lowest responsible qualified contractor. Construction contracts for less than \$5,000 may be negotiated with a qualified contractor. In addition, municipal public trust contracts for construction, labor, equipment, materials or repairs in excess of \$50,000 shall be awarded to the lowest and best competitive bidder pursuant to a public invitation to bid which shall be published. Contracts for \$50,000 or less for these types of goods or services shall be awarded to the lowest responsible bidder by requesting written bids or seeking competitive quotes. Contracts of \$25,000 or less may be awarded without bids and can be negotiated with a qualified contractor. Bids can be waived if an emergency is declared by the appropriate governing body.</p>
Condition:	During our testing of purchases we noted instances where state and local purchasing laws did not appear to be followed.
Cause:	Decentralization of purchasing practices during the year being audited potentially caused state and local purchasing laws to be inconsistently applied or followed.
Effect or Potential Effect:	The City could have potentially over paid for goods or services purchased.
Management's Response	We concur with the finding. In an effort to more completely comply with the City's procurement rules, policies and procedures, we are reinforcing this information at all levels of the City so that everyone responsible for procurement of goods and services know the various laws and regulations pertaining to such procurements, including City ordinances and state laws and regulations.

2015 Financial Statement Audit Finding regarding inadequate competitive bidding. Although our initial findings are not exactly the same, we identified concerns related to relationships with large spend vendors whose services have not been regularly put out for competitive bid or where a large spend vendor continuously wins the competitively bid services. Additional procedures are recommending in the purchasing area.

**CITY OF YUKON, OKLAHOMA
FINDINGS RELATED TO REPORT ON INTERNAL CONTROL AND
NONCOMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND AGREEMENTS
YEAR ENDED JUNE 30, 2015**

Finding No.	2015-5
Criteria:	Title 11, Section 17-211 prohibits the creation of a deficit fund balance in any fund except for a public trust fund.
Condition:	As reported in the notes to financial statements, a deficit fund balance was created in the CDBG and 96 Sales Tax Capital Improvement Funds.
Cause:	The City appears to have expended more than the resources available in these funds.
Effect or Potential Effect:	The City appears to have violated state laws prohibiting the creation of deficit fund balances.
Management's Response	We concur with the finding. We were originally unaware of the deficit positions of these two funds. Upon learning of the deficits, management will be taking steps to provide for the elimination of the deficits in these two funds.

2015 Financial Statement Audit Finding regarding deficit fund balance. In 2023, a similar finding was identified during the Financial Statement Audit. It was noted that “the amount of expenditures of the Fire Department within the City exceeded its appropriations.

APPENDIX O – SELECT 2015 FORENSIC AUDIT FINDINGS (Unmitigated)

C. Unsupported Transfers from Public Employee Sales Tax Accounts

The City's three Public Employee Sales Tax (PEST) bank accounts have been established to account for any remaining unspent cash generated from a .75 of one cent restricted sales tax that began in Fiscal 2004 (these resources are restricted primarily to provide the police employees, fire employees and general employees with competitive compensation). At the end of Fiscal 2015, these three accounts reported negative cash balances. The former City Treasurer indicated to us that at the instruction of the former City Manager he had begun transferring significant amounts of unspent cash from these restricted bank accounts to the City's pooled checking account as early as FY 2013 as needed for cash flow purposes.

At the beginning of Fiscal 2014, the Police employees PEST bank account had a positive balance of \$1,263,776, but at the end of Fiscal 2015 had a negative balance of \$16,123; at the beginning of Fiscal 2014, the Fire employees PEST bank account had a positive balance \$865,797, but at the end of Fiscal 2015 had a negative balance of \$10,492; and at the beginning of Fiscal 2013, the General employees PEST bank account had a positive balance of \$354,297, but at the end of Fiscal 2015 had a negative balance of \$12,452.

Because of the unsupported nature of these transfers from the PEST bank accounts, we are unable to establish the allowable nature of these cash transfers from the PEST bank accounts to the City's

pooled checking account, nor could we determine which expenses or expenditures the were intended to fund or reimburse. Further research and/or a legal determination may be needed to fully resolve this issue.

Unresolved PEST issue continues. No resolution of the transferred PEST funds identified in 2015.

APPENDIX P – SCHEDULE OF POLICE PEST ACCOUNT ACTIVITY (May 2022 – October 2024)

Date	Description	Withdrawals	Deposits	Balance
4/29/2022	Eff. 04-30 Credit Interest		\$11.84	\$1,457,558.47
5/1/2022	Previous Balance			\$1,457,558.47
5/19/2022	Deposit Internet Transfer from 700029280 CK		\$157,974.87	\$1,615,533.34
5/19/2022	Withdrawal Internet Transfer to 700029280 CK	(\$108,333.33)		\$1,507,200.01
5/31/2022	Credit Interest		\$12.56	\$1,507,212.57
6/1/2022	Previous Balance			\$1,507,212.57
6/17/2022	Withdrawal Internet Transfer to 700029280 CK	(\$71,920.16)		\$1,435,292.41
6/17/2022	Deposit Internet Transfer from 700029280 CK		\$149,946.25	\$1,585,238.66
6/17/2022	Withdrawal Internet Transfer to 700029280 CK	(\$149,946.25)		\$1,435,292.41
6/17/2022	Deposit Internet Transfer from 700029280 CK		\$164,940.87	\$1,600,233.28
6/17/2022	Withdrawal Internet Transfer to 700029280 CK	(\$108,333.37)		\$1,491,899.91
6/30/2022	Credit Interest		\$12.33	\$1,491,912.24
7/1/2022	Previous Balance			\$1,491,912.24
7/22/2022	Deposit Internet Transfer from 700029280 CK		\$164,127.03	\$1,656,039.27
7/22/2022	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,538,117.02
7/29/2022	Eff. 07-31 Credit Interest		\$12.80	\$1,538,129.82
8/1/2022	Previous Balance			\$1,538,129.82
8/12/2022	Deposit Internet Transfer from 700029280 CK		\$163,067.17	\$1,701,196.99
8/12/2022	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,583,274.74
8/31/2022	Credit Interest		\$13.31	\$1,583,288.05
9/1/2022	Previous Balance			\$1,583,288.05
9/19/2022	Deposit Internet Transfer from 700029280 CK		\$164,081.11	\$1,747,369.16
9/19/2022	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,629,446.91
9/30/2022	Credit Interest		\$13.17	\$1,629,460.08
10/1/2022	Previous Balance			\$1,629,460.08
10/14/2022	Deposit Internet Transfer from 700029280 CK		\$160,345.57	\$1,789,805.65
10/14/2022	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,671,883.40
10/31/2022	Credit Interest		\$14.05	\$1,671,897.45
11/1/2022	Previous Balance			\$1,671,897.45
11/15/2022	Deposit Internet Transfer from 700029280 CK		\$162,011.30	\$1,833,908.75
11/15/2022	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,715,986.50
11/30/2022	Credit Interest		\$13.93	\$1,716,000.43
12/1/2022	Previous Balance			\$1,716,000.43
12/15/2022	Deposit Internet Transfer from 700029280 CK		\$162,453.92	\$1,878,454.35
12/15/2022	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,760,532.10
12/30/2022	Eff. 12-31 Credit Interest		\$14.78	\$1,760,546.88
1/1/2023	Previous Balance			\$1,760,546.88
1/17/2023	Deposit Internet Transfer from 700029280 CK		\$177,548.30	\$1,938,095.18
1/17/2023	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,820,172.93
1/31/2023	Credit Interest		\$15.20	\$1,820,188.13
2/1/2023	Previous Balance			\$1,820,188.13
2/21/2023	Deposit Internet Transfer from 700029280 CK		\$171,060.05	\$1,991,248.18
2/21/2023	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,873,325.93
2/28/2023	Credit Interest		\$14.08	\$1,873,340.01
3/1/2023	Previous Balance			\$1,873,340.01
3/16/2023	Deposit Internet Transfer from 700029280 CK		\$133,046.70	\$2,006,386.71
3/16/2023	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,888,464.46
3/31/2023	Credit Interest		\$15.98	\$1,888,480.44

Date	Description	Withdrawals	Deposits	Balance
4/1/2023	Previous Balance			\$1,888,480.44
4/14/2023	Deposit Internet Transfer from 700029280 CK		\$152,092.87	\$2,040,573.31
4/14/2023	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,922,651.06
4/28/2023	Eff. 04-30 Credit Interest		\$15.68	\$1,922,666.74
5/1/2023	Previous Balance			\$1,922,666.74
5/23/2023	Deposit Internet Transfer from 700029280 CK		\$167,257.13	\$2,089,923.87
5/23/2023	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,972,001.62
5/23/2023	Withdrawal Internet Transfer to 700029280 CK	(\$470,173.94)		\$1,501,827.68
5/31/2023	Credit Interest		\$15.29	\$1,501,842.97
6/1/2023	Previous Balance			\$1,501,842.97
6/8/2023	Withdrawal Internet Transfer to 700029280 CK	(\$4,853.00)		\$1,496,989.97
6/13/2023	Deposit Internet Transfer from 700029280 CK		\$157,133.67	\$1,654,123.64
6/13/2023	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,536,201.39
6/30/2023	Credit Interest		\$12.51	\$1,536,213.90
7/1/2023	Previous Balance			\$1,536,213.90
7/14/2023	Deposit Internet Transfer from 700029280 CK		\$168,922.75	\$1,705,136.65
7/14/2023	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,587,214.40
7/31/2023	Credit Interest		\$13.30	\$1,587,227.70
8/1/2023	Previous Balance			\$1,587,227.70
8/23/2023	Deposit Internet Transfer from 700029280 CK		\$173,288.90	\$1,760,516.60
8/23/2023	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,642,594.35
8/31/2023	Credit Interest		\$13.62	\$1,642,607.97
9/1/2023	Previous Balance			\$1,642,607.97
9/28/2023	Deposit Internet Transfer from 700029280 CK		\$163,774.84	\$1,806,382.81
9/28/2023	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,688,460.56
9/29/2023	Eff. 09-30 Credit Interest		\$13.54	\$1,688,474.10
10/1/2023	Previous Balance			\$1,688,474.10
10/16/2023	Deposit Internet Transfer from 700029280 CK		\$171,171.90	\$1,859,646.00
10/16/2023	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,741,723.75
10/31/2023	Credit Interest		\$14.57	\$1,741,738.32
11/1/2023	Previous Balance			\$1,741,738.32
11/28/2023	Deposit Internet Transfer from 700029280 CK		\$163,777.21	\$1,905,515.53
11/28/2023	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,787,593.28
11/30/2023	Credit Interest		\$14.35	\$1,787,607.63
12/1/2023	Previous Balance			\$1,787,607.63
12/19/2023	Deposit Internet Transfer from 700029280 CK		\$159,543.11	\$1,947,150.74
12/19/2023	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,829,228.49
12/29/2023	Eff. 12-31 Credit Interest		\$15.33	\$1,829,243.82
1/1/2024	Previous Balance			\$1,829,243.82
1/24/2024	Deposit Internet Transfer from 700029280 CK		\$177,126.26	\$2,006,370.08
1/24/2024	Withdrawal Internet Transfer to 700029280 CK	(\$117,922.25)		\$1,888,447.83
1/31/2024	Credit Interest		\$15.62	\$1,888,463.45
2/1/2024	Previous Balance			\$1,888,463.45
2/14/2024	Deposit Internet Transfer from 700987990 CK		\$169,232.77	\$2,057,696.22
2/14/2024	Withdrawal Internet Transfer to 700987990 CK	(\$117,922.25)		\$1,939,773.97
2/29/2024	Credit Interest		\$15.19	\$1,939,789.16
3/1/2024	Previous Balance			\$1,939,789.16
3/13/2024	Deposit Internet Transfer from 700987990 CK		\$145,702.32	\$2,085,491.48

Date	Description	Withdrawals	Deposits	Balance
3/13/2024	Withdrawal Internet Transfer to 700987990 CK	(\$117,922.25)		\$1,967,569.23
3/25/2024	Withdrawal Internet Transfer to 700987990 CK	(\$48,207.24)		\$1,919,361.99
3/29/2024	Eff. 03-31 Credit Interest		\$16.48	\$1,919,378.47
4/1/2024	Previous Balance			\$1,919,378.47
4/8/2024	Deposit Internet Transfer from 700987990 CK		\$154,354.68	\$2,073,733.15
4/8/2024	Withdrawal Internet Transfer to 700987990 CK	(\$117,922.25)		\$1,955,810.90
4/30/2024	Credit Interest		\$15.96	\$1,955,826.86
5/1/2024	Previous Balance			\$1,955,826.86
5/8/2024	Withdrawal Internet Transfer to 700987990 CK	(\$117,922.25)		\$1,837,904.61
5/15/2024	Deposit Internet Transfer from 700987990 CK		\$163,628.43	\$2,001,533.04
5/31/2024	Credit Interest		\$16.55	\$2,001,549.59
6/1/2024	Previous Balance			\$2,001,549.59
6/12/2024	Deposit Internet Transfer from 700987990 CK		\$160,184.72	\$2,161,734.31
6/18/2024	Withdrawal Internet Transfer to 700987990 CK	(\$117,922.25)		\$2,043,812.06
6/28/2024	Eff. 06-30 Credit Interest		\$57.67	\$2,043,869.73
7/1/2024	Previous Balance			\$2,043,869.73
7/8/2024	Deposit Internet Transfer from 700987990 CK		\$161,644.51	\$2,205,514.24
7/9/2024	Withdrawal Internet Transfer to 700987990 CK	(\$117,922.25)		\$2,087,591.99
7/31/2024	Credit Interest		\$3,841.25	\$2,091,433.24
8/1/2024	Previous Balance			\$2,091,433.24
8/8/2024	Withdrawal Internet Transfer to 700987990 CK	(\$117,922.25)		\$1,973,510.99
8/12/2024	Deposit Internet Transfer from 700987990 CK		\$158,768.50	\$2,132,279.49
8/30/2024	Eff. 08-31 Credit Interest		\$8,459.11	\$2,140,738.60
9/1/2024	Previous Balance			\$2,140,738.60
9/4/2024	Withdrawal Internet Transfer to 700987990 CK	(\$117,922.25)		\$2,022,816.35
9/6/2024	Deposit Internet Transfer from 700987990 CK		\$117,922.25	\$2,140,738.60
9/6/2024	Withdrawal Internet Transfer to 700987990 CK	(\$58,333.33)		\$2,082,405.27
9/18/2024	Deposit Internet Transfer from 700987990 CK		\$167,607.36	\$2,250,012.63
9/18/2024	Deposit Internet Transfer from 700987990 CK		\$235,844.50	\$2,485,857.13
9/18/2024	Withdrawal Internet Transfer to 700987990 CK	(\$116,666.66)		\$2,369,190.47
9/30/2024	Credit Interest		\$8,016.23	\$2,377,206.70
10/1/2024	Previous Balance			\$2,377,206.70
10/3/2024	Withdrawal Internet Transfer to 700987990 CK	(\$117,922.25)		\$2,259,284.45
10/8/2024	Deposit Internet Transfer from 700987990 CK		\$117,922.25	\$2,377,206.70
10/8/2024	Withdrawal Internet Transfer to 700987990 CK	(\$58,333.33)		\$2,318,873.37
10/15/2024	Deposit Internet Transfer from 700987990 CK		\$156,328.50	\$2,475,201.87
10/31/2024	Credit Interest		\$666.90	\$2,475,868.77

Schedule of Police PEST account activity. Note the continual monthly transfer of funds. All transfers should be authorized and traced to a specific purpose allowed by ordinance. The confusion surrounding PEST funds identified in 2015 continues to be a problem today.

APPENDIX Q – 2022 – 2023 BUDGET REVIEW

BUDGET AMENDMENT# 6 (DATED 6/30/23)

1. NOT SIGNED CITY COUNCIL
2. NOT IN COUNCIL MTG FOR APPROVAL
3. SENT TO STATE AUDITOR 07/13/2023 - AFTER 22-23 FISCAL YEAR
4. SEE INCODE ADJUSTMENT REPORT#948- BUDGET DEFICIT WARNED AFTER BA#5 PROCESSED BA#6 INCREASED THESE DEFICITS

BUDGET AMENDMENT FORM

Fund: 01 - General Fund

Fiscal Year: '22 - '23

<u>Account #</u>	<u>Account Name</u>	<u>Estimated Revenue</u>		<u>Appropriations</u>	
		<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
	Fire Department			\$60,000.00	
	Streets			\$10,000.00	
	HR			\$20,000.00	
	Parks & Recreation			\$22,000.00	
	Insurance				\$56,000.00
	Police Department				\$56,000.00
TOTALS		\$0.00	\$0.00	\$112,000.00	\$112,000.00

EXPLANATION:

Date Approved by City Manager:

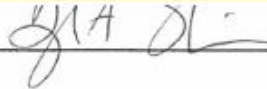
6/30/2023



CITY COUNCIL APPROVAL LINE ALTERED / REMOVED FROM AMENDMENT FILED WITH STATE

Date Approved by City Clerk:

6/30/2023




RECEIVED
JUL 13 2023
State Auditor
and Inspector

3

NET AMOUNT OF EXP. REQU. BY THIS REPORT		INCODE ADJUSTMENT REPORT						4
GET CODE: CB-Current Budget								
D ACCOUNT	DATE	DESCRIPTION	ADJUSTMENT	ORIGINAL BUDGET	PREVIOUS ADJUSTMENTS	NEW BUDGET	BUDGET BALANCE	
get Adj. # 000948								
5106-101	6/30/2023	FY '23 End of Year	60,000.00	4,080,788.00	55,000.00	4,195,788.00	64,503.19-	
Regular Employees								
5108-101	6/30/2023	FY '23 End of Year	10,000.00	619,381.00	0.00	629,381.00	73,274.25-	
Regular Employees								
5115-101	6/30/2023	FY '23 End of Year	20,000.00	314,487.00	0.00	334,487.00	3,733.98	
Regular Employees								
5118-101	6/30/2023	FY '23 End of Year	22,000.00	980,033.00	30,000.00	1,032,033.00	93,603.00	
Regular Employees								
5103-109	6/30/2023	FY '23 End of Year	56,000.00-	822,403.00	0.00	766,403.00	118,456.36-	
Worker's Compensation								
5107-101	6/30/2023	FY '23 End of Year	56,000.00-	5,452,092.00	0.00	5,396,092.00	75,693.58-	
Regular Employees								
TOTAL IN PACKET--							0.00	
*** BUDGET DEFICIT WARNINGS ***								
D ACCOUNT	NAME	BALANCE						
5103-109	Worker's Compensation	118,456.36-						
5106-101	Regular Employees	64,503.19-						
5107-101	Regular Employees	75,693.58-						
5108-101	Regular Employees	73,274.25-						
AL WARNINGS: 4								
NO ERRORS ***								
*** END OF REPORT ***								

DEFICIT WARNINGS - THIS BA INCREASED THE DEFICITS THAT WERE WARNED AFTER BA#5 (SNIPPET BELOW)

Included in description in the prior page – Deficit Warnings in InCode.

BUDGET AMENDMENT# 5 (06/27/23)
BUDGET DEFICIT WARNINGS AFTER THIS AMENDMENT WAS PROCESSED WITHIN INCODE

D ACCOUNT	DATE	DESCRIPTION	ADJUSTMENT	ORIGINAL BUDGET	PREVIOUS ADJUSTMENTS	NEW BUDGET	BUDGET BALANCE
get Adj. # 000947							
TOTAL NO. ADJUSTMENTS--EXPENSE:						17	848,000.00
TOTAL IN PACKET--							848,000.00
*** BUDGET DEFICIT WARNINGS ***							
D ACCOUNT	NAME	BALANCE					
5104-101	Regular Employees	2,478.66-					
5106-101	Regular Employees	124,503.19-					
5501-381-101	Fest&vents-FreedomFestFirewor	40,000.00-					
AL WARNINGS: 3							
NO ERRORS ***							

Examples of Deficit Warnings in InCode after Amendment 5.



DATE: September 20, 2022

TO: City Manager Tammy Kretchmar
 Mayor Shelli Selby
 Vice Mayor Jeff Wootton
 Council Member Aric Gilliland
 Council Member Donna Yanda
 Council Member Rodney Zimmerman

FROM: Philip Merry, City Treasurer

RE: FY 2023 Budget Amendment

MEMORANDUM

Ladies and Gentlemen of the council, before you this evening is a budget amendment increasing appropriations within the FY '23 budget by a total of \$865,000.00.

We have been notified by ODOT that they are wrapping up their final review of the I-40/Frisco Interchange project and we are due to receive \$865,000.00 in surplus funds back. We anticipate receiving these funds by late September or early October.

BUDGET AMENDMENT# 1 (DATED 09/20/22)

BUDGET AMENDMENT MEMO SHOWS AN INCREASE FOR APPROPRIATIONS IN THE AMOUNT OF \$ 865,000.00.

SEE ACTUAL AMENDMENTS PROCESSED-

APPROPRIATIONS (\$865,000.00)
EXPENSES (\$865,000.00)

FOR TOTAL AMENDMENT INCREASES OF \$1, 730,000 (NOT \$865,000.00)

This memo describes the additional income but does not mention the additional expense.

BUDGET AMENDMENT FORM

Fund: 36 - Sales Tax Capital Improvement

Fiscal Year: '22 - '23

Account #	Account Name	Estimated Revenue		Appropriations	
		Increase	Decrease	Increase	Decrease
48251	Miscellaneous	\$865,000.00			
5501-419	Cap. Improvements-Streets			\$865,000.00	
TOTALS		<u>\$865,000.00</u>	<u>\$0.00</u>	<u>\$865,000.00</u>	<u>\$0.00</u>

EXPLANATION:

Date Approved by City Manager: 9/20/2022 *Tracy Keatlock*

Date Approved by City Council: 9/20/2022 *Shelby Delby*

Date Approved by City Clerk: 9/20/2022 *DIA SL*



The City of Yukon, Oklahoma

GET CODE: CB-CURRENT Budget

D ACCOUNT	DATE	DESCRIPTION	ADJUSTMENT	ORIGINAL BUDGET	PREVIOUS ADJUSTMENTS	NEW BUDGET	BUDGET BALANCE
get Adj. # 000943							
	9/26/2022	ODOT Refund - Inter	865,000.00	0.00	0.00	865,000.00-	709,109.48-
5501-419	9/26/2022	ODOT Refund - Inter	865,000.00	755,000.00	0.00	1,620,000.00	1,514,666.29
Cap. Improvements-Streets							
		TOTAL NO. ADJUSTMENTS--REVENUE:			1	865,000.00	
		TOTAL NO. ADJUSTMENTS--EXPENSE:			1	865,000.00	
		TOTAL IN PACKET--				1,730,000.00	

NO WARNINGS ***

NO ERRORS ***

*** END OF REPORT ***