

**FINANCIAL STATEMENTS – REGULATORY BASIS  
AND REPORTS OF INDEPENDENT AUDITOR**

**CLAREMORE INDEPENDENT SCHOOL DISTRICT NO. I-1,  
ROGERS COUNTY, OKLAHOMA**

**JUNE 30, 2020**

Audited by

**BLEDSON, HEWETT & GULLEKSON  
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP**

**BROKEN ARROW, OK**

**CLAREMORE INDEPENDENT SCHOOL DISTRICT NO. I-1, ROGERS COUNTY  
SCHOOL DISTRICT OFFICIALS  
JUNE 30, 2020**

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**CLAREMORE INDEPENDENT SCHOOL DISTRICT NO. I-1, ROGERS COUNTY  
JUNE 30, 2020**

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**CLAREMORE INDEPENDENT SCHOOL DISTRICT NO. I-1, ROGERS COUNTY**  
**JUNE 30, 2020**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education  
Claremore School District Number I-1  
Claremore, Rogers County, Oklahoma

### Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of the Claremore School District Number I-1, Claremore, Rogers County, Oklahoma (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education to meet financial reporting requirements of the State of Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

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

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

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

In our opinion, because the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2020, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

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

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

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

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balance arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2020, and the revenues collected and expenditures paid and encumbered for the year then ended on the regulatory basis of accounting described in Note 1.

## **Other Matters**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The combining statements – regulatory basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2020 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

*Bledsoe, Hewett & Gullekson*

Bledsoe, Hewett & Gullekson  
Certified Public Accountants, PLLLP

December 31, 2020



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

The Honorable Board of Education  
Claremore School District Number I-1  
Claremore, Rogers County, Oklahoma

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements – regulatory basis within the combined financial statements of the Claremore School District Number I-1, Claremore, Rogers County, Oklahoma (District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 31, 2020, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Bledsoe, Hewett & Gullekson*

Bledsoe, Hewett & Gullekson  
Certified Public Accountants, PLLLP

December 31, 2020





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

The Honorable Board of Education  
Claremore School District Number I-1  
Claremore, Rogers County, Oklahoma

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

We have audited Claremore School District Number I-1, Claremore, Rogers County, Oklahoma (District)'s, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District, complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control Over Compliance

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Bledsoe, Hewett & Gullekson*

Bledsoe, Hewett & Gullekson  
Certified Public Accountants, PLLLP

December 31, 2020

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY  
DISPOSITION OF PRIOR YEAR'S SIGNIFICANT DEFICENCIES AND  
MATERIAL INSTANCES OF NON-COMPLIANCE  
JUNE 30, 2020**

There were no prior year significant deficiencies.

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY  
SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2020**

**Section 1** – Summary of Auditor’s Results:

1. An adverse opinion was issued on the combined financial statements in the conformity with the generally accepted accounting principles, and a qualified opinion was issued for the omission of the general fixed asset account group on the combined financial statements in conformity with the regulatory basis of accounting prescribed by the Oklahoma State Department of Education.
2. The audit did not identify any material weaknesses and did not report any significant deficiencies not considered to be material weaknesses in the internal controls over financial reporting.
3. The audit disclosed no instances of noncompliance which were material to the financial statements.
4. The audit did not identify any material weaknesses and did not report any significant deficiencies not considered to be material weaknesses in the internal controls over major programs.
5. An unmodified report was issued on the compliance for major programs in conformity with the regulatory basis of accounting.
6. The audit disclosed no audit findings which are required to be reported under the Uniform Guidance, 2 CFR 200.516(a).
7. Programs determined to be major are the Child Nutrition Programs (10.553, 10.555, 10.559), which was clustered in determination, and the Indian Education Program (84.060), which was not clustered.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The district was determined not to be a low-risk auditee.

**Section 2** – Findings Relating to the Financial Statements Required to be Reported in Accordance with GAGAS:

NONE

**Section 3** – Findings and Questioned Costs for Federal Awards:

NONE

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -**  
**REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 2020**

<u>ASSETS</u>	<u>GOVERNMENTAL FUND TYPES</u>				<u>FIDUCIARY FUND TYPES</u>	<u>ACCOUNT GROUP</u>	<u>TOTALS</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>EXPENDABLE TRUST AND AGENCY FUND</u>	<u>GENERAL LONG-TERM DEBT</u>	<u>(Memorandum Only)</u>	
							<u>2020</u>	<u>2019</u>
Cash	\$ 4,057,409	721,300	431,704	154,669	1,922,499		7,287,581	9,474,185
Amounts available in debt service						431,704	431,704	172,341
Amounts to be provided for retirement of general long-term debt						8,769,308	8,769,308	12,583,027
Total Assets	<u>\$ 4,057,409</u>	<u>721,300</u>	<u>431,704</u>	<u>154,669</u>	<u>1,922,499</u>	<u>9,201,012</u>	<u>16,488,593</u>	<u>22,229,553</u>
 <u>LIABILITIES AND FUND BALANCE</u>								
Liabilities:								
Warrants payable	\$ 616,884	17,344					634,228	702,188
Encumbrances	141,072	119,047		21,792			281,911	362,740
Funds held for school organizations					857,722		857,722	874,901
Long-term debt:								
Bonds payable						9,150,000	9,150,000	12,655,000
Capital leases						51,012	51,012	100,368
Total liabilities	<u>757,956</u>	<u>136,391</u>	<u>0</u>	<u>21,792</u>	<u>857,722</u>	<u>9,201,012</u>	<u>10,974,873</u>	<u>14,695,197</u>
Fund Balance:								
Restricted		584,909	431,704	132,877	1,064,777		2,214,267	3,459,721
Unassigned	3,299,453						3,299,453	4,074,635
Total fund balances	<u>3,299,453</u>	<u>584,909</u>	<u>431,704</u>	<u>132,877</u>	<u>1,064,777</u>	<u>0</u>	<u>5,513,720</u>	<u>7,534,356</u>
Total Liabilities and Fund Balance	<u>\$ 4,057,409</u>	<u>721,300</u>	<u>431,704</u>	<u>154,669</u>	<u>1,922,499</u>	<u>9,201,012</u>	<u>16,488,593</u>	<u>22,229,553</u>

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

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH FUND BALANCES**  
**REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES**  
**YEAR ENDED JUNE 30, 2020**

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES	TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST FUNDS	(Memorandum Only)	
						2020	2019
Revenues:							
Local sources	\$ 6,735,840	1,157,610	4,152,639	5,810		12,051,899	12,917,538
Intermediate sources	1,107,803					1,107,803	1,038,977
State sources	17,340,893	14,380	24			17,355,297	16,732,054
Federal sources	2,299,030	911,592				3,210,622	3,313,078
Interest earnings	78,059	13,316			71	91,446	186,217
Return on assets	217,889	657				218,546	660,857
Total revenues	27,779,514	2,097,555	4,152,663	5,810	71	34,035,613	34,848,721
Expenditures:							
Instruction	18,470,410				350	18,470,760	17,101,530
Support services	10,000,583	1,098,863		645,402		11,744,848	11,070,398
Operation of non-instructional services	175,310	1,268,119		704,534		2,147,963	1,568,946
Facilities, acquisition & constr. services							5,401,049
Other outlays:							
Fund transfer							1,102
Debt service requirements			3,893,300			3,893,300	4,088,913
Private nonprofit schools	2,093					2,093	2,957
Correcting entry/Reimbursements	4,242	517				4,759	377,992
Repayments							2,712
Total expenditures	28,652,638	2,367,499	3,893,300	1,349,936	350	36,263,723	39,615,599
Revenues over (under) expenditures	(873,124)	(269,944)	259,363	(1,344,126)	(279)	(2,228,110)	(5,083,695)
Other financing sources (uses):							
Adjustments to prior year encumbrances	97,942	39,532				137,474	133,056
Bond proceeds				70,000		70,000	6,205,000
Total other financing sources (uses)	97,942	39,532	0	70,000	0	207,474	5,254,268
Revenue and other sources over (under) expenditures and other uses	(775,182)	(230,412)	259,363	(1,274,126)	(279)	(2,020,636)	1,571,178
Cash fund balance, beginning of year	4,074,635	815,321	172,341	1,407,003	1,065,056	7,534,356	5,963,178
Cash fund balance, end of year	\$ 3,299,453	584,909	431,704	132,877	1,064,777	5,513,720	7,534,356

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

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**REGULATORY BASIS - BUDGETED GENERAL FUND**  
**YEAR ENDED JUNE 30, 2020**

	GENERAL FUND			PRIOR YEAR (Memorandum Only)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues:				
Local sources	\$ 6,201,243	6,201,243	6,735,840	6,587,278
Intermediate sources	947,885	947,885	1,107,803	1,038,977
State sources	17,485,699	17,485,699	17,340,893	16,618,863
Federal sources	2,293,831	2,293,831	2,299,030	2,303,067
Interest earnings			78,059	143,575
Non revenue receipts			217,889	659,287
Total revenues	<u>26,928,658</u>	<u>26,928,658</u>	<u>27,779,514</u>	<u>27,351,047</u>
Expenditures:				
Instruction	24,727,135	24,727,135	18,470,410	16,934,739
Support services	4,376,032	4,376,032	10,000,583	10,324,354
Operation of non-instructional services	200,000	200,000	175,310	206,912
Other outlays:				
Fund transfer				1,102
Private nonprofit schools			2,093	2,957
Correcting entry/Reimbursements			4,242	
Other uses	1,700,126	1,700,126		
Repayments				1,500
Total expenditures	<u>31,003,293</u>	<u>31,003,293</u>	<u>28,652,638</u>	<u>27,471,564</u>
Revenues over (under) expenditures	(4,074,635)	(4,074,635)	(873,124)	(120,517)
Other financing sources (uses):				
Adjustments to prior year encumbrances	<u>0</u>	<u>0</u>	<u>97,942</u>	<u>98,477</u>
Revenue and other sources over (under) expenditures and other uses	(4,074,635)	(4,074,635)	(775,182)	(22,040)
Cash fund balance, beginning of year	<u>4,074,635</u>	<u>4,074,635</u>	<u>4,074,635</u>	<u>4,096,675</u>
Cash fund balance, end of year	<u>\$ 0</u>	<u>0</u>	<u>3,299,453</u>	<u>4,074,635</u>

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

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**REGULATORY BASIS - ALL BUDGETED SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2020**

	SPECIAL REVENUE FUNDS			PRIOR YEAR
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	(Memorandum Only)
Revenues				
Local sources	\$ 1,129,536	1,129,536	1,157,610	1,270,153
State sources	11,638	11,638	14,380	113,191
Federal sources	959,511	959,511	911,592	1,010,011
Interest earnings			13,316	28,503
Return on assets			657	1,570
Total revenues	<u>2,100,685</u>	<u>2,100,685</u>	<u>2,097,555</u>	<u>2,423,428</u>
Expenditures				
Instruction				154,268
Support services	1,339,650	1,339,650	1,098,863	736,376
Operation of non-instructional services	1,398,488	1,398,488	1,268,119	1,362,034
Other uses:				
Correcting entry/Reimbursements	177,868	177,868	517	377,992
Repayments				1,212
Total expenditures	<u>2,916,006</u>	<u>2,916,006</u>	<u>2,367,499</u>	<u>2,631,882</u>
Revenues over (under) expenditures	(815,321)	(815,321)	(269,944)	(208,454)
Other financing sources (uses)				
Adjustments to prior year encumbrances	<u>0</u>	<u>0</u>	<u>39,532</u>	<u>34,579</u>
Revenue and other sources over (under) expenditures and other uses	(815,321)	(815,321)	(230,412)	(173,875)
Cash fund balance, beginning of year	<u>815,321</u>	<u>815,321</u>	<u>815,321</u>	<u>989,196</u>
Cash fund balance, end of year	<u>\$ 0</u>	<u>0</u>	<u>584,909</u>	<u>815,321</u>

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



**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**REGULATORY BASIS - DEBT SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2020**

	DEBT SERVICE FUND			PRIOR YEAR (Memorandum Only)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues:				
Local sources	\$ 4,003,350	4,003,350	4,152,639	4,032,637
State sources			24	
Interest earnings				14,139
Total revenues	<u>4,003,350</u>	<u>4,003,350</u>	<u>4,152,663</u>	<u>4,046,776</u>
Expenditures:				
Bonds	3,785,000	3,785,000	3,505,000	3,840,000
Coupons	<u>390,692</u>	<u>390,692</u>	<u>388,300</u>	<u>248,913</u>
Total expenditures	<u>3,785,000</u>	<u>3,785,000</u>	<u>3,893,300</u>	<u>4,088,913</u>
Revenues over (under) expenditures	218,350	218,350	259,363	(42,137)
Cash fund balance, beginning of year	<u>172,341</u>	<u>172,341</u>	<u>172,341</u>	<u>214,478</u>
Cash fund balance, end of year	<u>\$ 390,691</u>	<u>390,691</u>	<u>431,704</u>	<u>172,341</u>

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

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Claremore Public Schools Independent District, I-1 (the “District”), have been prepared in conformity with another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education as authorized by Oklahoma Statutes. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with the accounting principles generally accepted in the United States of America. The District’s accounting policies are described in the following notes that are an integral part of the District’s financial statements.

**A. Reporting Entity**

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

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

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

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d**

A. Reporting Entity – cont’d

whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District’s reporting entity.

B. Measurement Focus

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

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

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

**Governmental Fund Types**

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

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

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd**

**B. Measurement Focus - cont'd**

Special Revenue Funds – Special revenue funds account for revenue sources that are restricted to expenditures for specific purposes. The special revenue funds typically include the building fund, co-op fund and child nutrition fund.

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

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

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

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

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

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d**

**B. Measurement Focus – cont’d**

**Fiduciary Fund Types**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. The terms “non-expendable” and “expendable” refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operation.

Expendable Trust Funds – Expendable trust funds typically include the gifts and endowments fund.

Gifts and Endowments Fund – The gifts and endowments fund receives its assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. This fund is used to promote the general welfare of the District.

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

**Account Groups**

An account group is not a fund and consists of a self-balancing set of accounts used only to establish accounting control over long-term debt and fixed assets.

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

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

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d**

**B. Measurement Focus – cont’d**

**Memorandum Only - Total Column**

The total column on the combined financial statements – regulatory basis is captioned “memorandum only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**C. Basis of Accounting and Presentation**

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

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not as inventory assets.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded in the General Long-Term Debt Account Group and not in the basic financial statements.
- Compensated absences are recorded as expenditures when paid and not recorded as a liability.
- Fixed assets are recorded in the General Fixed Asset Account Group and not in the basic financial statements. Fixed assets are not depreciated.

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

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d**

**C. Basis of Accounting and Presentation – cont’d**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental type funds are accounted for using the regulatory basis of accounting. Revenues are recognized when they are received rather than earned and expenditures are generally recognized when encumbered/reserved rather than at the time the related fund liability is incurred. These practices differ from accounting principles generally accepted in the United States.

**D. Budgets and Budgetary Accounting**

The District is required by state law to prepare an annual budget. The Board of Education request an initial temporary appropriations budget from their county excise board before June 30. The District uses the temporary appropriation amounts as their legal expenditure limit until annual estimate of needs is completed.

A budget is legally adopted by the Board of Education for all funds (with the exception of the trust and agency funds) that includes revenues and expenditures. No later than October 1, each board of education shall prepare a financial statement and estimate of needs to be filed with the applicable county clerk and the State Department of Education.

The 2019-20 Estimate of Needs was not amended by any supplemental appropriations. Any amendments must be approved by the county excise board.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all governmental funds of the District. Unencumbered appropriations lapse at the end of each fiscal year. While the Debt Service Fund is a governmental fund, a comparison of budget to actual schedule is presented in the financial statements, although the board can exercise no control of the revenue sources for this fund (except interest earnings), and no control over its expenditures.

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d**

**E. Assets, Liabilities and Fund Equity**

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

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

Inventories – The value of consumable inventories at June 30, 2020, is not material to the combined financial statements.

Fixed Assets and Property, Plant and Equipment – The District has not maintained a record of general fixed assets, and, accordingly, a General Fixed Assets Account Group required by the regulatory basis of accounting prescribed by the Oklahoma State Department of Education is not included in the financial statements. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

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

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

Compensated Absences – The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. The government-wide financial statements do not include any liability for any rights to receive vacation, sick leave, or other employee benefits.



**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d**

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

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

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

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

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

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

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

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d**

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

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

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

F. Revenue and Expenditures

Local Revenues – Revenue from local sources is the money generated from within the boundaries of the District and available to the District for its use. The District is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. These property taxes are distributed to the District’s general, building and sinking funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1. If the first payment is not made in a timely manner, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1, of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

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

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d**

**F. Revenue and Expenditures – cont’d**

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

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

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

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

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

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

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

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd**

**F. Revenue and Expenditures – cont'd**

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

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

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

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

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

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

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

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d**

**F. Revenue and Expenditures – cont’d**

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

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. During the 2019-20 fiscal year, the District had no inter-fund transfers.

**2. CASH AND INVESTMENTS**

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to the District. The District’s cash deposits and investments at June 30, 2020, were \$7,358,765, at financial institutions, and were completely insured or collateralized by federal depository insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District’s name.

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

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

- Direct obligations of the U.S. Government, its agencies and instrument to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**2. CASH AND INVESTMENTS – cont'd**

- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

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

**3. INTERFUND RECEIVABLES AND PAYABLES**

There were no interfund receivables or payables at June 30, 2020.

**4. GENERAL LONG-TERM DEBT**

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

General long-term debt of the District consists of bonds payable and capital leases. Debt service requirements for bonds and judgments are paid solely from the fund balance and the future revenues of the debt service fund, and capital leases are paid from other funds.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2020:

	Bonds Payable	Capital Leases	Totals
Balance, July 1, 2019	\$ 12,655,000	100,368	12,755,368
Additions	0	17,265,000	17,265,000
Retirements	(3,505,000)	(49,356)	(3,554,356)
Balance, June 30, 2020	<u>\$ 9,150,000</u>	<u>17,316,012</u>	<u>26,466,012</u>

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**4. GENERAL LONG-TERM DEBT – cont'd**

A brief description of the outstanding long-term debt at June 30, 2020, is set forth below:

<u>General Obligation Bonds:</u>	<u>Amount Outstanding</u>
Building Bonds, Series 2016, original issue \$4,200,000, interest rate of 1.375%, due in annual installments of \$1,050,000, final payment due 7-01-21	\$ 1,050,000
Building Bonds, Series 2017, original issue \$5,000,000, interest rate of 1.75%, due in annual installments of \$1,250,000, final payment due 7-01-22	2,500,000
Building Bonds, Series 2018, original issue \$4,805,000, interest rate of 2.5% to 3.0%, due in initial payment of \$605,000, then annual installments of \$1,400,000, final payment due 7-01-23	4,200,000
Combined Purpose Bonds, Series 2020, original issue \$1,400,000, interest rate of 1.8% to 2.65%, due in annual installments of \$350,000, final payment due 6-01-24	1,400,000
<u>Capital Leases:</u>	
Lease purchase for Claremore Public School Project, dated 10-1-19, for \$17,265,000, due in annual principal and interest installments of varying amounts, final payment due 8-20-39 (see Note 8)	17,265,000
Lease purchase of copiers, dated 4-5-2020 totaling \$148,122, due in annual principal and interest payments of \$52,724, final payment due 7-15-20	<u>51,012</u>
Total	<u><u>\$ 26,466,012</u></u>

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**4. GENERAL LONG-TERM DEBT – cont'd**

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

Year Ending June 30	Principal	Interest	Total
2021	\$ 3,970,012	528,954	4,498,966
2022	4,805,000	503,112	5,308,112
2023	3,903,000	396,727	4,299,727
2024	2,562,000	307,886	2,869,886
2025	1,404,000	246,972	1,650,972
2026-30	9,822,000	642,994	10,464,994
Total	<u>\$ 26,466,012</u>	<u>2,626,645</u>	<u>29,092,657</u>

Interest paid on general long-term debt during the 2019-20 fiscal year totaled \$391,668.

**5. EMPLOYEE RETIREMENT SYSTEM**

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, OK 73152, or by calling 405-521-2387.

Basis of Accounting

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



**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**5. EMPLOYEE RETIREMENT SYSTEM – cont'd**

performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. For the 2019-20 fiscal year, the District contributed 9.5% and the State of Oklahoma contributed the remaining amount during the year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, if a member's salary is paid in part by federal or private funds, the contribution on that portion of the salary paid by those funds must be matched by the District at 7.70%.

Annual Pension Cost

The District's total contributions for 2020, 2019 and 2018 were \$2,512,381, \$2,382,784 and \$2,064,829, respectively. Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2020. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Please visit [www.ok.gov/TRS](http://www.ok.gov/TRS) for all plan information.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employers who participate in a pension plan, such as the System, and who prepare published financial statements on an accrual basis using Generally Accepted Accounting Principles. Since the District does not prepare and present their financial statements on an accrual basis, the net pension amount is not required to be presented on the audited financial statements.

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**6. RISK MANAGEMENT**

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

The District participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the District reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to it during the plan year. As a member of OSAG, the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the school's losses for the last five years. OSAG provides coverage in excess of the Loss Fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use its loss fund in three years, it is returned to the District with no interest.

The District is also a member of the Oklahoma State School Boards Association (OSSBA) Employment Services program, which helps to cover the cost of unemployment claims. Depending on the level of membership the District elects, the District makes a deposit into an account administered by OSSBA, or will make payments periodically as needed. The money contributed by each District earns interest and is fully insured. If the District has claims in excess of the amount in its account, it will be liable for the excess.

**7. CONTINGENCIES**

Federal Grants

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

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**7. CONTINGENCIES – cont'd**

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2019-20 fiscal year. The Uniform Guidance Audits of States, Local Governments and Non-Profit Organizations, established uniform audit requirements for nonfederal entities which expended more than \$750,000 in federal awards.

Litigation

The District is a defendant in one lawsuit. Although the outcome of this lawsuit is not presently determinable, the District believes that the resolution of this matter will not have a material adverse effect on the financial condition of the District. Should the judgment be awarded against the District, it would be levied through the Districts sinking fund over a three-year period pursuant to state law.

**8. FINANCING AGREEMENT**

On October 8, 2019, the District entered into a \$17,265,000 Lease Purchase Financing Agreement with Rogers County Educational Facilities Authority to provide funds for the constructing, equipping, repairing and remodeling of school buildings, acquiring furniture, fixtures and equipment and acquiring and improving school sites for the benefit of the Claremore School District. Also, on October 1, 2019, the District, as lessor, entered into a ground lease agreement, for certain district property, with Rogers County Educational Facilities Authority. A Trust Agreement, also dated October 1, 2019, was entered between the lessee, the lessor, and Specialized Lending, LLC, wherein Specialized Lending, LLC, agrees to hold and administer various funds and accounts used in conjunction with this lease-purchase financing. The agreement calls for 10 annual acquisition payments. The acquisition payments will be paid with bond proceeds, pursuant to the issuance of series bonds, passed by electors of the District. Claremore Public Schools will gain ownership to the capital improvements incrementally as each payment is made. The lease payments are shown as general long-term debt on the combined statement assets, liabilities, and fund balance under bonds payable as each series of bonds is sold.

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**COMBINING STATEMENT OF ASSETS, LIABILITIES AND**  
**FUND BALANCE - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS**  
**JUNE 30, 2020**

<u>ASSETS</u>	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (Memorandum Only)</u>	
			<u>2020</u>	<u>2019</u>
Cash	<u>\$ 359,436</u>	<u>361,864</u>	<u>721,300</u>	<u>938,423</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Warrants payable	\$ 17,224	120	17,344	40,831
Encumbrances	<u>28,111</u>	<u>90,936</u>	<u>119,047</u>	<u>82,271</u>
Total liabilities	<u>45,335</u>	<u>91,056</u>	<u>136,391</u>	<u>123,102</u>
Fund Balance:				
Restricted	<u>314,101</u>	<u>270,808</u>	<u>584,909</u>	<u>815,321</u>
Total Liabilities and Fund Balance	<u>\$ 359,436</u>	<u>361,864</u>	<u>721,300</u>	<u>938,423</u>

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN CASH FUND BALANCES - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2020**

	BUILDING FUND	CHILD NUTRITION FUND	TOTALS (Memorandum Only)	
			2020	2019
Revenues:				
Local sources	\$ 876,444	281,166	1,157,610	1,270,153
State sources	5	14,375	14,380	113,191
Federal sources		911,592	911,592	1,010,011
Interest earnings	7,304	6,012	13,316	28,503
Return on assets		657	657	1,570
Total revenues	<u>883,753</u>	<u>1,213,802</u>	<u>2,097,555</u>	<u>2,423,428</u>
Expenditures:				
Instruction				154,268
Support services	1,098,863		1,098,863	736,376
Operation of non-instructional services		1,268,119	1,268,119	1,362,034
Other uses:				
Correcting entry/Reimbursements		517	517	377,992
Repayments				1,212
Total expenditures	<u>1,098,863</u>	<u>1,268,636</u>	<u>2,367,499</u>	<u>2,631,882</u>
Revenues over (under) expenditures	(215,110)	(54,834)	(269,944)	(208,454)
Other financing sources (uses):				
Adjustments to prior year encumbrances	<u>35,739</u>	<u>3,793</u>	<u>39,532</u>	<u>34,579</u>
Revenue and other sources over (under) expenditures and other uses	(179,371)	(51,041)	(230,412)	(173,875)
Cash fund balance, beginning of year	<u>493,472</u>	<u>321,849</u>	<u>815,321</u>	<u>989,196</u>
Cash fund balance, end of year	<u>\$ 314,101</u>	<u>270,808</u>	<u>584,909</u>	<u>815,321</u>

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**- REGULATORY BASIS - ALL BUDGETED SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2020**

	BUILDING FUND			CHILD NUTRITION FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues:						
Local sources	\$ 806,178	806,178	876,444	\$ 323,358	323,358	281,166
State sources			5	11,638	11,638	14,375
Federal sources				959,511	959,511	911,592
Interest earnings			7,304			6,012
Non revenue receipts						657
Total revenues	<u>806,178</u>	<u>806,178</u>	<u>883,753</u>	<u>1,294,507</u>	<u>1,294,507</u>	<u>1,213,802</u>
Expenditures:						
Support services	1,299,650	1,299,650	1,098,863	40,000	40,000	
Operation of non-instructional services				1,398,488	1,398,468	1,268,119
Other uses:						
Correcting entry/Reimbursements				177,868	177,868	517
Total expenditures	<u>1,299,650</u>	<u>1,299,650</u>	<u>1,098,863</u>	<u>1,616,356</u>	<u>1,616,336</u>	<u>1,268,636</u>
Revenues over (under) expenditures	(493,472)	(493,472)	(215,110)	(321,849)	(321,829)	(54,834)
Other financing sources (uses):						
Adjustments to prior year encumbrances	<u>0</u>	<u>0</u>	<u>35,739</u>	<u>0</u>	<u>0</u>	<u>3,793</u>
Revenue and other sources over (under) expenditures and other uses	(493,472)	(493,472)	(179,371)	(321,849)	(321,829)	(51,041)
Cash fund balance, beginning of year	<u>493,472</u>	<u>493,472</u>	<u>493,472</u>	<u>321,849</u>	<u>321,849</u>	<u>321,849</u>
Cash fund balance, end of year	<u>\$ 0</u>	<u>0</u>	<u>314,101</u>	<u>\$ 0</u>	<u>0</u>	<u>270,808</u>

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**COMBINING STATEMENT OF ASSETS, LIABILITIES AND**  
**FUND BALANCE - REGULATORY BASIS - ALL CAPITAL PROJECT FUNDS**  
**JUNE 30, 2020**

<u>ASSETS</u>	<u>BOND FUND (31)</u>	<u>BOND FUND (32)</u>	<u>BOND FUND (33)</u>	<u>BOND FUND (34)</u>	TOTALS (Memorandum Only)	
					<u>2020</u>	<u>2019</u>
Cash	<u>\$ 5,587</u>	<u>46,228</u>	<u>32,854</u>	<u>70,000</u>	<u>154,669</u>	<u>1,419,526</u>
 <u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Encumbrances	<u>\$ 0</u>	<u>19,792</u>	<u>2,000</u>	<u>0</u>	<u>21,792</u>	<u>12,523</u>
Fund Balance:						
Restricted	<u>5,587</u>	<u>26,436</u>	<u>30,854</u>	<u>70,000</u>	<u>132,877</u>	<u>1,407,003</u>
Total Liabilities and Fund Balance	<u>\$ 5,587</u>	<u>46,228</u>	<u>32,854</u>	<u>70,000</u>	<u>154,669</u>	<u>1,419,526</u>

**CLAREMORE INDEPENDENT SCHOOL DISTRICT, I-1 ROGERS COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN CASH FUND BALANCES - REGULATORY BASIS - ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2020**

	<u>BOND FUND (31)</u>	<u>BOND FUND (32)</u>	<u>BOND FUND (33)</u>	<u>BOND FUND (34)</u>	TOTALS (Memorandum Only) <u>2020</u>	<u>2019</u>
Revenue:						
Local sources	<u>\$ 0</u>	<u>5,810</u>	<u>0</u>	<u>0</u>	<u>5,810</u>	<u>0</u>
Expenditures:						
Instruction						12,523
Support Services	1,416	274,840	369,146		645,402	9,668
Facilities, acquisition & const. svcs		704,534			704,534	5,401,049
Total expenditures	<u>1,416</u>	<u>979,374</u>	<u>369,146</u>	<u>0</u>	<u>1,349,936</u>	<u>5,423,240</u>
Revenues over (under) expenditures	(1,416)	(973,564)	(369,146)	0	(1,344,126)	(5,423,240)
Other financing sources (uses):						
Bond sales proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>70,000</u>	<u>70,000</u>	<u>6,205,000</u>
Revenue and other sources over (under) expenditures and other uses	(1,416)	(973,564)	(369,146)	0	(1,274,126)	781,760
Cash fund balance, beginning of year	<u>7,003</u>	<u>1,000,000</u>	<u>400,000</u>	<u>0</u>	<u>1,407,003</u>	<u>625,243</u>
Cash fund balance, end of year	<u>\$ 5,587</u>	<u>26,436</u>	<u>30,854</u>	<u>70,000</u>	<u>132,877</u>	<u>1,407,003</u>



**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**COMBINING STATEMENT OF ASSETS, LIABILITIES AND**  
**FUND BALANCE - REGULATORY BASIS - ALL FIDUCIARY FUND TYPES**  
**JUNE 30, 2020**

	Expendable Trust Fund	Agency Funds	TOTALS	
	Gifts and Endowments Fund	School Activity Funds	2020	2019
<u>ASSETS</u>				
Cash	\$ 1,064,777	871,670	1,936,447	1,939,957
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Funds held for school organizations	\$ 0	871,670	871,670	874,901
Fund Balance:				
Restricted	1,064,777	0	1,064,777	1,065,056
Total Liabilities and Fund Balance	\$ 1,064,777	871,670	1,936,447	1,939,957

**CLAREMORE INDEPENDENT SCHOOL DISTRICT NO I-1, ROGERS COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**REGULATORY BASIS - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Balance <u>July 1, 2019</u>	<u>Additions</u>	Net <u>Adjustments</u>	<u>Deletions</u>	Balance <u>June 30, 2020</u>
<u>ASSETS</u>					
Cash	<u>\$ 874,901</u>	<u>1,045,642</u>	<u>8,090</u>	<u>1,056,963</u>	<u>871,670</u>
<u>LIABILITIES</u>					
Funds held for school organizations:					
Claremore High School:					
Art	\$ 2,830	4,433		3,696	3,567
Athletics	44,680	122,440	1,615	108,428	60,307
Metro Athletic Assn.	1,957	5,200		484	6,673
Beginning Change	2,000	2,000		2,000	2,000
Cheerleaders	10,713	13,739		14,167	10,285
Freshmen Account	0	1,510		988	522
Sophomore Account	360	1,355		1,263	452
Junior Account	1,296	2,161		1,485	1,972
Senior Account	16,871	5,495		5,634	16,732
Baseball	5,266	23,313		23,183	5,396
Boys Basketball	665	1,250		1,688	227
Football	36,969	38,116		47,057	28,028
Boys Golf	1,462	0		1,000	462
Softball	6,811	4,954		6,388	5,377
Boys Tennis	2,191	6,204		4,981	3,414
Cross Country/Track	21,559	9,765		9,983	21,341
Wrestling	8,321	4,407		11,799	929
Chemistry	530	35		406	159
Fellowship of Christian Athletes	68	0		0	68
FFA	20,471	68,405		62,257	26,619
French Club	2,222	491		942	1,771
German Club	307	0		0	307
Miscellaneous Activity	7,469	4,997		6,556	5,910
Recycling	92	0		0	92
Interest Account	6,341	3,639		2,197	7,783
Library	202	1,287		46	1,443
Electronic Entertainment/Media	568	2,055		1,155	1,468
Math Club	4,336	85		248	4,173
Band	1,050	1,050		754	1,346
Vocal Music	12,472	20,688		22,596	10,564

**CLAREMORE INDEPENDENT SCHOOL DISTRICT NO I-1, ROGERS COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**REGULATORY BASIS - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Net</u> <u>Adjustments</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b><u>ASSETS</u></b>					
Athletic Trainer	\$ 6,316	2,000		1,367	6,949
National Honor Society	16,259	13,058		6,558	22,759
Engineering/ Robotics	782	0		0	782
Colorguard	387	1,252		1,139	500
Vending	677	976		888	765
853	0	81		0	81
SADD	431	1,748		1,017	1,162
Science (Mash)	1,388	320		120	1,588
Theater	7,030	1,920		2,847	6,103
Student Council	5,838	18,302		16,511	7,629
Forensics	531	0		42	489
Musical Productions	502	50		0	552
Before and After School	20	0		0	20
FCCLA	1,111	1,623		1,685	1,049
Girls Basketball	648	5,154		4,364	1,438
Counselors	5,217	2,134		2,820	4,531
Graduates	2,643	11,467		12,780	1,330
9th Grade Girls Basketball	755	0		400	355
Girls Golf	1,285	0		814	471
Boys Soccer	2,321	2,380		3,694	1,007
Teachers Account	1,766	0		0	1,766
Girls Tennis	101	0		0	101
AP Exams	3,312	8,135		6,050	5,397
Young Democrats Club	324	264		327	261
Young Republicans Club	318	309		311	316
Psychology	217	264		319	162
FFA Booster Club	9,112	1,411		2,931	7,592
Gymnastics	562	0		0	562
Grants	8,573	11,473		12,409	7,637
Clearing Account	0	26		26	0
Native America Club	729	246		240	735
Yearbook	4,529	3,460		6,030	1,959
Credit Recovery	11,542	730		0	12,272
Academic Team	1,035	771		415	1,391
Girls Soccer	1,271	3,413		3,212	1,472
Volleyball	11,886	6,394		4,294	13,986
Dance Team	4,248	67,741		70,800	1,189
NJROTC-Students	19,133	1,263		2,137	18,259
NJROTC-Special	2,983	1,846		3,321	1,508
Female Fitness Club	274	0		0	274

**CLAREMORE INDEPENDENT SCHOOL DISTRICT NO I-1, ROGERS COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**REGULATORY BASIS - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Net</u> <u>Adjustments</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS</u>					
FUZE (CHS Mentor Program)	\$ 449	340		736	53
SPARK	730	0		0	730
ZUAC	1,940	4,537		0	6,477
Dead Poets Society	12	0		0	12
SAGA	0	1,293		637	656
Knit Club	91	237		203	125
Am Sign Language Club	120	0		0	120
Christian Club	0	90		0	90
Subtotal	<u>359,477</u>	<u>525,782</u>	<u>1,615</u>	<u>512,825</u>	<u>374,049</u>
Will Rogers Junior High:					
Art	\$ 832	9,079		8,327	1,584
Athletics	19,602	17,369		15,883	21,088
Beginning Change	900	909		900	909
Cheerleaders	8,129	11,799	349	9,598	10,679
International Club	320	0		0	320
Miscellaneous Activity	12,920	7,549	1,000	9,945	11,524
Library	4,955	7,528		5,890	6,593
Band	3,286	4,095		3,094	4,287
Vocal Music	10,128	18,257		19,426	8,959
National Honor Society	741	4,417		3,305	1,853
Engineering/Robotics	113	0		0	113
STEM Club	736	1,770		102	2,404
Science	1,938	882		324	2,496
Student Council	3,699	2,530		2,255	3,974
Counselors	42	0		18	24
Archery	3,880	0		0	3,880
Principals Account	9,778	2,076		2,272	9,582
Teachers Account	472	245		124	593
Grants	106	2,021		2,026	101
Yearbook	13,573	2,215		5,892	9,896
Dance Team	2,415	4,278		5,008	1,685
Tech Ed. Student Assn.	13,534	22,681		27,116	9,099
Chess Club	603	0		0	603
Bullying Prevention	858	0		248	610
Hands-On Exploration	2,085	0		0	2,085
Subtotal	<u>115,645</u>	<u>119,700</u>	<u>1,349</u>	<u>121,753</u>	<u>114,941</u>

**CLAREMORE INDEPENDENT SCHOOL DISTRICT NO I-1, ROGERS COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**REGULATORY BASIS - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Balance <u>July 1, 2019</u>	<u>Additions</u>	Net <u>Adjustments</u>	<u>Deletions</u>	Balance <u>June 30, 2020</u>
<b><u>ASSETS</u></b>					
Claremont Upper Elementary:					
Art	\$ 5	0		0	5
Charity	83	0		0	83
Miscellaneous Activity	4,265	3,541		5,820	1,986
Library	1,284	6,641		6,369	1,556
PTO	4,705	0		532	4,173
Principal's Account	11,038	7,298		6,341	11,995
Teachers' Account	37,833	7,250		2,348	42,735
Grants	1,069	0		1,000	69
Clearing Account	0	16		16	0
Running Club	759	0		48	711
Playground Equipment	14,446	3,668		282	17,832
Subtotal	<u>75,487</u>	<u>28,414</u>	<u>0</u>	<u>22,756</u>	<u>81,145</u>
Roosa Elementary:					
Art	\$ 1,733	0		109	1,624
Miscellaneous Activity	55,072	20,075		20,394	54,753
Recycling	436	0		0	436
Library	3,937	5,548		7,433	2,052
Outdoor Classroom	407	0		0	407
Vocal Music	483	590		395	678
STEM Club	0	238		0	238
PTO	2,412	7,849		7,405	2,856
Grants	1,818	10,656		11,855	619
Clearing Account	0	65		65	0
Yearbook	0	100		0	100
Running Club	1,260	1,700		1,572	1,388
Subtotal	<u>67,558</u>	<u>46,821</u>	<u>0</u>	<u>49,228</u>	<u>65,151</u>
Westside Elementary:					
Miscellaneous Activity	\$ 20,151	12,840		14,750	18,241
Library	1,786	6,242		5,950	2,078
Vocal Music	297	1,069		787	579
Counselors	207	238		0	445
PTO	24,733	14,875		12,941	26,667
Grants	1,334	15,486		16,075	745
Clearing Account	1,036	0		1,000	36
Running Club	693	2,581		1,710	1,564
Subtotal	<u>50,237</u>	<u>53,331</u>	<u>0</u>	<u>53,213</u>	<u>50,355</u>

**CLAREMORE INDEPENDENT SCHOOL DISTRICT NO I-1, ROGERS COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**REGULATORY BASIS - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Balance <u>July 1, 2019</u>	<u>Additions</u>	Net <u>Adjustments</u>	<u>Deletions</u>	Balance <u>June 30, 2020</u>
<b><u>ASSETS</u></b>					
AL Activity	\$ 309	353		415	247
Subtotal	<u>309</u>	<u>353</u>	<u>0</u>	<u>415</u>	<u>247</u>
Catalayah Elementary:					
Art	\$ 42	0		0	42
Miscellaneous Activity	20,044	25,525		27,035	18,534
Library	1,736	6,839		7,036	1,539
Vocal Music	676	1,435		1,142	969
Counselors	150	238		69	319
PTO	42,462	10,997		12,804	40,655
Grants	0	1,622		1,622	0
Clearing Account	0	37		37	0
Running Club	1,936	2,810		1,303	3,443
Subtotal	<u>67,046</u>	<u>49,503</u>	<u>0</u>	<u>51,048</u>	<u>65,501</u>
Administration:					
Miscellaneous Activity	\$ 81,341	40,907.00		31,654	90,594
Drug Testing	0	8,640.00		4,936	3,704
Proj. CEEP Misc. Activity	2,145	1,025		722	2,448
Before & After School	46,121	164,624	5,126	201,353	14,518
Grants	6,345	776		1,025	6,096
Performing Arts Center	2,903	4,150		4,922	2,131
Central Office Staff	287	0		0	287
Gear Up RLA	0	1,616		1,113	503
Subtotal	<u>139,142</u>	<u>221,738</u>	<u>5,126</u>	<u>245,725</u>	<u>120,281</u>
Total Liabilities	<u>\$ 874,901</u>	<u>1,045,642</u>	<u>8,090</u>	<u>1,056,963</u>	<u>871,670</u>

**CLAREMORE INDEPENDENT SCHOOL DISTRICT NO. I-1, ROGERS COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Project Number</u>	<u>Program or Award Amount</u>	<u>Beginning Balance 7/01/2019</u>	<u>Revenue Collected</u>	<u>Total Expenditures</u>	<u>Ending Balance 6/30/2020</u>
<u>U.S. Department of Education</u>							
<u>Direct Programs:</u>							
* Indian Education	84.060	561	\$ 263,993		262,085	262,085	
Indian Education 2018-19 - Note	84.060	799		38,623	38,623		
Subtotal			<u>263,993</u>	<u>38,623</u>	<u>300,708</u>	<u>262,085</u>	<u>0</u>
<u>Passed Through State Department of Education:</u>							
Title I-Part A, Improving Basic Programs	84.010	511	640,285		614,025	614,025	
Title I-Part A, Improving Basic Programs 2018-19 - Note 1	84.010	511		50,949	50,949		
Title I-School Improvement 2018-19 - Note	84.010	799		1,359	1,359		
Title II-Part A, Teacher & Principal Training	84.367	541	104,515		82,286	86,664	4,378
Title II-Part A 2018-19 - Note 1	84.367	799		6,318	6,318		
Title III-Part A English Language Acquisition	84.365	572	14,260		14,260	14,260	
Title IX-Part A Homeless	84.196	596	17,000		17,000	17,000	
<u>Special Education Programs-</u>							
Special Education, Flowthrough, P.L. 105-17	84.027	621	941,175		792,287	818,840	26,553
Special Education, Flowthrough 2018-19 - Note 1	84.027	799		55,270	55,270		
Special Education, Flowthrough Professional Development OSDE	84.027	623	810		785	785	
Special Education, Flowthrough Professional Development District	84.027	623	9,584		7,548	7,548	
Special Education, Flowthrough Certification Exam	84.027	616	135		135	135	
Special Education, High Needs Tier 2	84.027	627	24,989		23,060	24,646	1,586
Special Education, High Needs Tier 2 2018-19 - Note 1	84.027	799		4,800	4,800		
Special Education, Preschool, Ages 3-5, P.L. 105-17	84.173	641	24,880		24,232	24,232	
Special Education, Preschool, Ages 3-5, P.L. 105-17 - 2018-19 Note 1	84.173	641		8,673	8,673		
Special Education COVID assist	84.027	617	38,976				
Title IV, Part A	84.424	552	28,490		28,490	28,490	
Title IV, Part A - 2018-19 Note 1	84.424	799		1,825	1,825		
CARES Act	84.425	788	463,201				
Subtotal			<u>2,308,300</u>	<u>129,194</u>	<u>1,733,302</u>	<u>1,636,625</u>	<u>32,517</u>
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins Grant	84.048	421	21,869		18,748	20,693	1,945
Carl Perkins Grant 2018-19 - Note 1	84.048	799		16,322	16,322		
Carl Perkins High Schools That Work	84.048	426	12,000			4,800	4,800
Carl Perkins HSTW 2018-19 - Note 1	84.048	799		11,328	11,328		
Subtotal			<u>33,869</u>	<u>27,650</u>	<u>46,398</u>	<u>25,493</u>	<u>6,745</u>

**CLAREMORE INDEPENDENT SCHOOL DISTRICT NO. I-1, ROGERS COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Project Number</u>	<u>Program or Award Amount</u>	<u>Beginning Balance 7/01/2019</u>	<u>Revenue Collected</u>	<u>Total Expenditures</u>	<u>Ending Balance 6/30/2020</u>
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education:</u>							
<i>*Child Nutrition Cluster:</i>							
Non-Cash Assistance (Commodities):							
National School Lunch Program - Note 4	10.555	N/A			101,768	101,768	
<i>Non-Cash Assistance Subtotal</i>					101,768	101,768	
Cash Assistance:							
National School Lunch Program	10.555	763			605,060	605,060	
School Breakfast Program	10.553	764			206,628	206,628	
Summer Food Program	10.559	766			99,904	108,061	
<i>Cash Assistance Subtotal</i>				0	911,592	919,749	0
<i>Total For Program (Cluster)</i>				0	1,013,360	1,021,517	0
<u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130	563	\$ 43,220		19,422	42,081	22,659
Johnson O'Malley 2018-19 - Note 1	15.130	799		24,899	24,899		
Gear Up	84.334	777	124,389		103,540	92,224	
Gear Up PLA	84.334	778	4,500		4,500	2,964	
ROTC	12.357	773	63,183		63,183	63,183	
Job Training - OJT	84.126	456	711		819	711	
Flood Control	12.112	774	2,259		2,259	2,259	
Subtotal			238,262	24,899	218,622	203,422	22,659
Total Federal Assistance			\$ 2,844,424	220,366	3,312,390	3,149,142	61,921

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

**Note 1 - Basis of Presentation** - The accompanying schedule of expenditures of federal awards includes the federal activity of the District for the year ended June 30, 2020. This information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended and does not present the financial position, changes in net assets, or cash flows of the District.

**Note 2 - Summary of Significant Accounting Policies** - Expenditures reported on this schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements except as noted in Note 3. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3 - Non-Monetary Assistance** - Commodities received by the District in the amount of \$101,768 were of a non-monetary nature and therefore the total revenue does not

\* Major programs



**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY**  
**SCHEDULE OF SURETY BONDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**


<u>BONDING COMPANY</u>	<u>POSITION COVERED</u>	<u>BOND NUMBER</u>	<u>COVERAGE AMOUNT</u>	<u>EFFECTIVE DATES</u>
Travelers Casualty & Surety Co.	Treasurer	106554656	\$ 100,000	7/1/19-7/1/20
	Superintendent	106771107	100,000	7/1/19-7/1/20
	Position Bonds as follows:	106167977		9/18/19-9/17/20
		<u>Number</u>		
	Assistant Treasurer	1	100,000	9/18/19-9/17/20
	Encumbrance Clerk	1	100,000	9/18/19-9/17/20
	Minutes Clerk	1	1,000	9/18/19-9/17/20
	Payroll Clerk	1	100,000	9/18/19-9/17/20
	Activity Fund Custodian	2	100,000	9/18/19-9/17/20
	Activity Fund Custodian	1	20,000	9/18/19-9/17/20
	Activity Fund Custodian	4	10,000	9/18/19-9/17/20
	Activity Fund Custodian	2	1,000	9/18/19-9/17/20
	Warehouseman Child Nutr.	1	10,000	9/18/19-9/17/20
	Mail Person	1	25,000	9/18/19-9/17/20

**CLAREMORE INDEPENDENT SCHOOL DISTRICT I-1, ROGERS COUNTY  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE  
AFFIDAVIT  
JULY 1, 2019 TO JUNE 30, 2020**

State of Oklahoma            )  
  ) ss  
County of Tulsa             )


The undersigned auditing firm of lawful ages, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Claremore Public Schools for the audit year 2019-20.

Bledsoe, Hewett & Gullekson  
Certified Public Accountants, PLLLP  
Auditing Firm

By   
Authorized Agent

Subscribed and sworn to before me  
This 31<sup>st</sup> day of December, 2020



  
Notary Public (or Clerk or Judge)

My Commission Expires: 12/11/2024  
Commission No. 20014980



**BLEDSON, HEWETT & GULLEKSON**  
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

Eric M. Bledsoe, CPA  
Jeffrey D. Hewett, CPA  
Christopher P. Gullekson, CPA

P.O. BOX 1310 • 121 E. COLLEGE ST. • BROKEN ARROW, OK 74013 • (918) 449-9991 • (800) 522-3831 • FAX (918) 449-9779

December 31, 2020

Mr. Bryan Frazier, Supt.  
Claremore Public Schools  
102 West 10<sup>th</sup> Street  
Claremore, Oklahoma 74017-5835

Dear Mr. Frazier:

Listed below are the observations and recommendations from the final audit work we performed for you. Please review them very carefully, along with the review copy of your audit report. If you have questions or desire additional information, please call us so that any discrepancies may be resolved.

**The following section contains the observations relayed to management that are control deficiencies, which we feel need to be communicated to you so appropriate action may be taken to correct these deficiencies. These items are not included in your audit report, as they are not considered material or immaterial in nature. They are simply observations of some minor findings that could evolve into immaterial or material findings if not addressed or corrected.**

Federal Programs

We observed a few instances where the amounts claimed for reimbursements did not match the amounts coded according to OCAS. The differences were small amounts, which were immaterial to the overall program amounts, however, it is possible that the District will be contacted by the State Department of Education and you will need to prepare a written response explaining the coding errors. The amounts that will be included on the Schedule of Expenditures of Federal Awards (SEFA) will reflect the amounts actually expended, not necessarily the amounts according to OCAS.

We recommend that the District establish a procedure which requires that an employee other than the one filing the claims perform a reconciliation at the end of the fiscal year between the expenditures claimed for reimbursement and the expenditures actually coded to the program's project code on the detailed expenditure reports. This applies to all federal receipts.

### Employment Contracts

We observed during the audit that there were no contracts prepared for non-certified or support personnel. We recommend that written, signed contracts be prepared for all certified, support and administrative personnel that include a salary amount or an hourly rate of pay, as required by Oklahoma Statutes. (Reference: 70 O.S. § 5-123 and Attorney General's Opinion No. 82-62, dated 3-3-82)

We take this opportunity to thank you and your professional staff for the outstanding cooperation and invaluable assistance you gave us during our recent onsite audit work.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. P. Gullekson', with a stylized flourish at the end.

Christopher P. Gullekson

For

Bledsoe, Hewett & Gullekson  
Certified Public Accountants, PLLLP