

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

**COMANCHE ACADEMY SCHOOL NO. T-001
COMANCHE COUNTY, OKLAHOMA**

JUNE 30, 2022

Audited by

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

BROKEN ARROW, OK

COMANCHE ACADEMY SCHOOL NO. T-001
COMANCHE COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2022

BOARD OF EDUCATION

Board President

Martie Woothtakewahbitty

Board Vice-President

Vacant

Board Clerk

John Harris

Member

Justin Boos

Member

Ronald Red Elk

Member

Jonathan Poahway

Superintendent

Dava Fratello

District Treasurer

Jack H. Jenkins, CPA

COMANCHE ACADEMY SCHOOL NO. T-001
COMANCHE COUNTY, OKLAHOMA
JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page No.</u>
School District Officials	2
Table of Contents	3
Independent Auditor’s Report	4-6
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements - Regulatory Basis – Performed in Accordance with Government Auditing Standards	7-8
Disposition of Prior Year Audit Results, Findings and Questioned Costs	9
Schedule of Audit Results, Findings and Questioned Costs	10-12
 Combined Financial Statements – Regulatory Basis	
Combined Statement of Assets, Liabilities and Fund Balances All Fund Types and Account Groups – Regulatory Basis	13
Combined Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – All Governmental Fund Types – Regulatory Basis	14
Combined Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – Budget and Actual – Budgeted Governmental Fund Types – Regulatory Basis	15
Notes to Combined Financial Statements - Regulatory Basis	16-30
Schedule of Expenditures of Federal Awards – Regulatory Basis Prepared for the Oklahoma State Department of Education	31
Schedule of Statutory, Fidelity and Honesty Bonds	32
Schedule of Accountant’s Professional Liability Insurance Affidavit	33



INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Education
Comanche Academy School District Number T-001
Lawton, Comanche County, Oklahoma

Report on the Audit of the Financial Statements

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Comanche Academy School District Number T-001, Lawton, Comanche County, Oklahoma (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter discussed in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" section of our report, the combined financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions of each fund type and account group of the District as of June 30, 2022, and the revenues it received and expenditures it paid and encumbered for the year then ended, in accordance with the financial reporting provisions of the Oklahoma State Department of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, 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, 2022, or the revenues, expenses, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements referred to above do not include the General Fixed Asset Account Group, which is a departure from the regulatory basis of accounting prescribed or permitted by the Oklahoma State Department of Education. The amount that should be recorded in the General Fixed Asset Account Group is not known.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education as described in Note 1, to meet the financial reporting requirements of the State 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements-regulatory basis that collectively comprise the District's basic financial statements. The accompanying combining financial statements-regulatory basis and other supplementary information and schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements-regulatory basis. The information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements-regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, except for the financial statements being prepared in compliance with the regulatory basis as prescribed by the Oklahoma State Department of Education as discussed in Note 1, the combining financial statements-regulatory basis and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the combined financial statements-regulatory basis as a whole.

Emphasis of Matter

We draw attention to Note 9 of the financial statements, which states that we were able to verify the beginning cash balance, however, we did not perform any additional audit procedures to confirm the accuracy of the beginning balance and therefore we provide no opinion on the beginning balance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2023, 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 solely 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 effectiveness of the District's 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

February 15, 2023



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

**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**

To the Honorable Board of Education
Comanche Academy School District Number T-001
Lawton, Comanche 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 fund type and account group financial statements – regulatory basis of the Comanche Academy School District Number T-001, Lawton, Comanche County, Oklahoma (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 15, 2023, 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 as provided by the Oklahoma State Department of Education. However, our report was qualified because the omission of the general fixed asset account group results in an incomplete presentation with respect to the presentation of financial statement on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of audit results, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of audit results as items 2022-1, 2022-2 and 2022-3, to be significant deficiencies and material weaknesses.

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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of audit results as items 2022-1, 2022-2 and 2022-3.

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

February 15, 2023

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
DISPOSITION OF PRIOR YEAR'S SIGNIFICANT DEFICIENCIES AND MATERIAL
INSTANCES OF NON-COMPLIANCE
JUNE 30, 2022

There were no prior year significant deficiencies or material instances of non-compliance. The 2021-22 fiscal year was the first year in operation.

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
SCHEDULE OF AUDIT RESULTS
JUNE 30, 2022

Section 1 – Summary of Auditor’s Results:

1. An adverse opinion was issued on the financial statements in conformity with 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 a regulatory basis of accounting prescribed by the Oklahoma State Department of Education.
2. The audit identified three significant deficiencies (items 2022-1, 2022-2, 2022-3), considered to be 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 three instances of noncompliance which are material to the financial statements.

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

2022-1 Purchase Orders

Condition: During the review of the Purchase orders, we made the following observations:

- Majority of invoices/delivery tickets were not being signed as received.
- Purchase orders were not always encumbered against available appropriations prior to the obligations being incurred.
- Majority of purchase orders were not properly signed by the encumbering officer nor properly signed as approved by the purchasing agent.
- Checks issued for payment did not always test foot to supporting documentation attached.
- There were purchase orders which did not include all the supporting documentation, or had no supporting documentation attached.
- Credit card purchase orders did not include all supporting documentation, statements not adequately reconciled to payments (i.e. balance was carried on account) and did not have a clear approval process/document for credit card purchases.

Criteria: District should follow Oklahoma Statutes for the initiating, recording and paying of contractual obligations, which include the appropriate approvals, signatures, supporting documentation, encumbering in a timely manner, issuance of payment and proper coding.

Cause / Effect: Proper, consistent, procedures were not in place over the accounts payable function for the appropriated fund expenditures. This increases the risk that a misappropriation of assets may occur, whether due to error or fraud, and not be detected in a timely manner.

Recommendation: We recommend that the District enforce its policies and procedures which require that all purchase orders be signed by both the encumbering and purchasing officers, purchase orders be encumbered prior to the obligation being incurred, invoices or delivery tickets be signed as received, all purchase orders have either original invoices or non-commercial vendor invoices attached as proof of indebtedness and proper coding be utilized, as required by Oklahoma Statutes.

Response: The District has not responded to the audit findings as of the date of this audit report.

2022-2 Board Minutes

Condition: We observed during the review of the Board minutes the following:

- Not all board minutes were presented for audit
- Financial reports and encumbrance listings were not presented as attachments in the minutes
- Statutory references for executive session not always presented
- Approved 2021 listing of regularly scheduled board meetings was not presented
- Most special meetings did not have notification to County Clerk presented
- Individual board member votes not recorded
- Majority of minutes not signed by board after approval
- Quorums were not always established after roll call
- Overall inconsistency of board meeting agenda and minutes preparation

Criteria: Oklahoma Statutes require that each governing board follow the Oklahoma Open Meeting Act for all meetings of the Board of Education. O.S. Title 25 § 301-314.

Cause / Effect: The District did not have procedures/controls in place to ensure that the Open Meeting Act was complied with consistently during the fiscal year. Not properly following the Open Meeting Act increases the risk that the necessary business transactions of the District will not be properly approved and communicated to the Board.

Recommendation: We recommend that the District review the requirements of the Open Meeting Act and implement the necessary procedures to become more compliant with the Act, in order to address the items listed above.

Response: The District has not responded to the audit findings as of the date of this audit report.

2022-3 Payroll Contracts

Condition: We could not properly reconcile the 2021-22 payroll contracts, as personnel contracts were not presented for audit.

Criteria: Per Oklahoma Statutes 70 O.S. § 5-123 and Attorney General's Opinion No. 82-62, (dated 3-3-82) the District is required to have a written contract for each purchase order that is over \$500. This Attorney General's opinion has been construed to relate to personnel contracts.

Cause / Effect: Proper procedures were not in place to adequately file and maintain the personnel contracts. This increases the risk that individuals may be paid an incorrect amount, whether due to error or fraud, but will not be detected in a timely manner.

Recommendation: We recommend that after the board approves and signs, along with the employee, the personnel contracts, for both certified and support employees, and that the signed contract, along with the informational worksheet required by O.S 70 § 6-101.6, be filed and maintained for review. Further, we recommend that an earnings report be run at the end of each fiscal year, and all contracts be reconciled to actual amounts paid.

Response: The District has not responded to the audit findings as of the date of this audit report.

COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS

COMANCHE ACADEMY SCHOOL, NO. T-001, COMANCHE COUNTY
 COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2022

	GOVERNMENTAL FUND TYPES GENERAL FUND
<u>ASSETS</u>	
Cash	\$ 118,155
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Warrants/checks payable	\$ 35,981
Encumbrances	39,215
Total liabilities	75,196
Fund Balances:	
Unassigned	42,959
Cash fund balances	42,959
Total Liabilities and Fund Balance	\$ 118,155

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

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH FUND BALANCE
 REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2022

	GOVERNMENTAL FUND TYPES
	GENERAL FUND
Revenues:	
Local sources	\$ 205,648
State sources	374,935
Federal sources	302,683
Total revenues	883,266
Expenditures:	
Instruction	507,418
Support services	573,535
Operation of non-instructional services	95,800
Total expenditures	1,176,753
Excess of revenues collected over (under) expenditures	(293,487)
Cash fund balance, beginning of year (Note 9)	336,446
Cash fund balance, end of year	\$ 42,959

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

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGET TO ACTUAL - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2022

	GENERAL FUND	
	Final Budget	Actual
Revenues Collected:		
Local sources	\$ 856,922	205,648
State sources	398,331	374,935
Federal sources	805,595	302,683
Total revenues collected	2,060,848	883,266
Expenditures:		
Instruction	1,407,803	507,418
Support services	562,245	573,535
Operation of non-instructional services	90,800	95,800
Total expenditures	2,060,848	1,176,753
Excess of revenues collected over (under) expenditures	0	(293,487)
Cash fund balance, beginning of year (Note 9)	0	336,446
Cash fund balance, end of year	\$ 0	42,959

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

NOTES TO COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Comanche Academy School District, No. T-001 (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

Comanche Academy’s first year of operation was the 2021-22 fiscal year. Comanche Academy, Inc., is a not-for-profit corporation organized with the Oklahoma Secretary of State. The District is recognized by the Internal Revenue Service as an exempt organization under section 501(C)(3) of the Internal Revenue Service Code for the benefit of the Comanche Academy School District.

The purpose of the District is to provide a culturally sustaining and academically rigorous education for all students of the District, using a holistic model that is student-centered, participant action research-based, and rooted in the water, land, culture, language, and community of the Comanche Nation. The Board shall be the governing body of the District, made up of no fewer than three (3) and no more than eleven (11) board members and a majority of the board members must be enrolled citizens of the Comanche Nation.

Although Comanche Academy, Inc. is a not-for-profit entity that would normally follow the presentation requirements of the Financial Accounting Standards Board (FASB) Accounting Standards No. 958-205, the District is considered a quasi-governmental entity subject to the reporting requirements of the Oklahoma State Department of Education. 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 the state of Oklahoma support. The general operating authority for the District is the Oklahoma School Code, the Oklahoma Charter Schools Act and the Statewide Virtual Charter School Board as set forth in Title 70 O.S. § 3-130 and 145.1.

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

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

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.

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

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, co-op and child nutrition funds. The District did not maintain any special revenue funds during the 2021-22 fiscal year.

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.

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. The District did not maintain this fund during the 2021-22 fiscal year.

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. The District did not maintain this fund during the 2021-22 fiscal year.

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

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. The District did not maintain any expendable trust funds during the 2021-22 fiscal year.

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. The District did not maintain any agency funds during 2021-22 fiscal year.

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 any fixed assets to include in this group in its financial statements.

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

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/checks 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.

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

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 must 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 the 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 2021-22 Estimate of Needs was not amended by any supplemental appropriations.

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.

E. Assets, Liabilities and Fund Balances

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.

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Balances – cont'd

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, 2022 is not material to the combined financial statements.

Fixed Assets and Property, Plant and Equipment – The District has not obtained any 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/Checks Payable – Warrants/checks 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/checks that have yet to be redeemed by the District's bank.

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. District policy allows certified employees to accumulate such days to a maximum number of days. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources had not been reported as an expenditure of the governmental fund that will pay it since the financial statements have been prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Balances – 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 Balances – 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 *non-spendable* (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).

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

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

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

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

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

E. Assets, Liabilities and Fund Balances – 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. Local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

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. For the purposes of funding, a charter school is considered a site within the school district in which the charter school is located. A charter school is to receive from the sponsoring district, the state aid revenue generated by its students for the applicable year, less up to 3% of the total, which may be retained by the sponsoring organization as a fee for the administrative services rendered.

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.

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

The District receives revenue from the state (through their sponsor) 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.

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

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

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

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

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

F. Revenue and Expenditures – cont’d

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.

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no interfund transfers during the 2021-22 fiscal year.

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022 were \$118,155 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 limitations, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

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

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

3. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2022.

4. 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 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 employees 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 2021-22 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 7.7%.

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

4. EMPLOYEE RETIREMENT SYSTEM – cont’d

Annual Pension Cost

The District’s total contributions for 2022 were \$70,712. Ten-year historical trend information is presented in the Teacher’s Retirement System of Oklahoma Annual Report for the year ended June 30, 2022. This information is useful in assessing the pension plan’s accumulation of sufficient assets to pay pension benefits as they become due. Please visit www.ok.gov/TRS for all plan information.

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.

5. LONG TERM DEBT

The District did not maintain any long-term debt as of June 30, 2022.

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.

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.

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2021-22 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. The District did not exceed this threshold.

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

7. CONTINGENCIES – cont'd

Litigation

School officials are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments against the District.

8. SPONSORSHIP

Management Agreement – The District has entered into a school sponsorship agreement with the Comanche Nation (sponsor) for the creation and operation of Comanche Academy (school) in accordance with the contract agreed upon as well as any other applicable statutes or regulations pertaining to charter schools. Management of the school shall comply with the same state and federal regulations related to the reporting and audit requirements that govern Oklahoma Public Schools. Under this charter, the school has agreed to pay its sponsor an annual administrative fee up to 3% of State aid allocation. The current charter contract is effective until June 30, 2026.

9. BEGINNING BALANCE 7-1-2021

We were able to verify the beginning cash balance, of \$336,446, however, we did not perform any additional audit procedures to confirm the accuracy of the beginning balance and therefore we provide no opinion on the beginning balance.

SUPPLEMENTARY INFORMATION

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REGULATORY BASIS**

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
PREPARED FOR THE OKLAHOMA STATE DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2022

<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>Balance at 7/1/21</u>	<u>Revenue Collected</u>	<u>Total Expenditures</u>	<u>Balance at 6/30/22</u>
<u>U.S. Department of Education</u>							
<u>Passed Through State Department of Education:</u>							
Title I	84.010	511	\$ 23,627		0	22,854	22,854
ARP IDEA-B Flow Through	84.027X	628	2,843		0	2,843	2,843
ARP IDEA-B Pre-School	84.027X	643	256		0	256	256
IDEA-B Flow Through	84.027	621	8,149		0	8,149	8,149
IDEA-B Pre-School	84.173	641	116		0	116	116
<u>COVID-19 ESF:</u>							
ESSER II	84.425D	793	37,855		0	37,855	37,855
ARP ESSER III	84.425U	795	85,077		0	0	
Total COVID-19 ESF			<u>122,932</u>	<u>0</u>	<u>0</u>	<u>37,855</u>	<u>37,855</u>
Sub Total			<u>157,923</u>	<u>0</u>	<u>0</u>	<u>72,073</u>	<u>72,073</u>
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education</u>							
<u>Child Nutrition Programs:</u>							
School breakfast program	10.553	764			6,033	6,033	
National school lunch program	10.555	763			9,276	9,276	
Sub Total					<u>15,309</u>	<u>15,309</u>	
<u>Other Federal Assistance:</u>							
<u>Passed Through Oklahoma Public School Resource Center</u>							
Charter School Program Grant	84.282	771	606,945	0	287,374	201,489	0
Total Federal Assistance			<u>764,868</u>	<u>0</u>	<u>302,683</u>	<u>288,871</u>	<u>72,073</u>

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, 2022. This information is presented on another comprehensive basis of accounting conforming with the accounting practices prescribed or permitted by the Oklahoma State Department of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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. Expenditures are recognized when an approved purchase order is issued.

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
 STATEMENT OF STATUTORY, FIDELITY AND HONESTY BONDS
 FOR THE YEAR ENDED JUNE 30, 2022

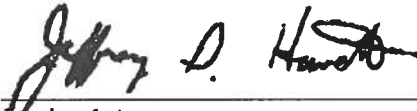
<u>BONDING COMPANY</u>	<u>POSITION COVERED</u>	<u>POLICY NUMBER</u>	<u>COVERAGE AMOUNT</u>	<u>EFFECTIVE DATES</u>
Western Surety Company	Treasurer	66263616	\$ 100,000	5/23/22 - 5/23/23
Western Surety Company	Superintendent	65609870	100,000	8/28/21 - 8/28/22
Western Surety Company	Encumbrance / Minutes Clerk	65609878	20,000	7/26/21 - 7/26/22

COMANCHE ACADEMY SCHOOL NO. T-001, COMANCHE COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2021 TO JUNE 30, 2022

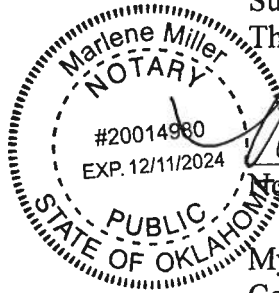
State of Oklahoma)
) ss
County of Tulsa)

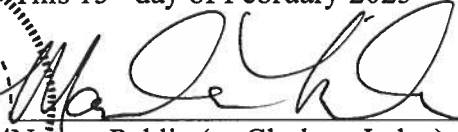
The undersigned auditing firm of lawful ages, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Comanche Academy School for the audit year 2021-22.

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

By 
Authorized Agent

Subscribed and sworn to before me
This 15th day of February 2023




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

February 15, 2023

Ms. Dava Fratello, Superintendent
Comanche Academy School
1701 NW Taft
Lawton, OK 73507

Dear Ms. Fratello:

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 observation relayed to management that is a control deficiency, which we feel needs to be communicated to you so appropriate action may be taken to correct this deficiency. This item is not included in your audit report, as it is not considered to be a significant deficiency or a material weakness.

Federal Program Reconciliation/Coding

During our audit, we observed an instance where the federal expenditures submitted for reimbursement for the Charter School Program Grant, project 771, did not match the actual amounts coded to that project code, according to the Oklahoma Cost Accounting System (OCAS) and software reports, resulting in an under coding of \$6,706. We recommend that the District establish a procedure which requires that an employee (other than the one filing the claims) perform reconciliations periodically during the year, and at the end of the fiscal year, between the expenditures claimed for reimbursement and the expenditures that are actually coded to the program's project code on the detailed expenditure reports. We also recommend that actual expenses be coded to every grant to correspond with amounts claimed, even if the program does not require a detailed expenditure claim.

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,

Jeff Hewett