

**AUDITED FINANCIAL STATEMENTS - REGULATORY BASIS  
AND REPORTS OF INDEPENDENT AUDITOR**

**COWETA SCHOOL DISTRICT NO. I-17,  
WAGONER COUNTY, OKLAHOMA**

**JUNE 30, 2021**



**JENKINS & KEMPER**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

**INDEPENDENT SCHOOL DISTRICT NO. I-17  
WAGONER COUNTY, OKLAHOMA  
JUNE 30, 2021**

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**INDEPENDENT SCHOOL DISTRICT NO. I-17  
WAGONER COUNTY, OKLAHOMA  
JUNE 30, 2021**

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**INDEPENDENT SCHOOL DISTRICT NO. I-17  
WAGONER COUNTY, OKLAHOMA  
SCHOOL DISTRICT OFFICIALS  
JUNE 30, 2021**

**BOARD OF EDUCATION**

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Vice-President	Doyle Burress
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**JENKINS & KEMPER**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA  
MICHAEL KEMPER, CPA

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Board of Education  
Coweta School District No. I-017  
Coweta, Oklahoma 74429-0550

**Report on the Financial Statements**

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of Coweta School District No. I-017, Coweta, Oklahoma (the "District") as of and for the year ended June 30, 2021, 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 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.

**Auditor's Responsibility**

Our responsibility is to express opinions 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 of 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 modified 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 Coweta School District No. I-017, 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 reasonably determined, are presumed to be material.

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

In our opinion, because the significance of the matter discussed in the previous paragraph, the basic 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 Coweta School District No. I-017, Wagoner County, Oklahoma as of June 30, 2021, or the revenues, expenses, and changes in net position and, 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 assets 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 preceding paragraph, the financial statements referred to in the first paragraph 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, 2021, and the revenues collected and expenditures paid and encumbered, of each fund type, 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining fund statements, regulatory basis, listed in the accompanying table of contents are presented for purpose of additional analysis, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining statements-regulatory basis and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 on the regulatory basis of accounting described in Note 1.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated October 14, 2021, 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 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.

*Jenkins & Kemper, CPAs P.C.*

Jenkins & Kemper  
Certified Public Accountants, P.C.

October 14, 2021

## **COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**

**INDEPENDENT SCHOOL DISTRICT NO. 1-17, WAGONER COUNTY**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -**  
**REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 2021**

<u>ASSETS</u>	<u>GOVERNMENTAL FUND TYPES</u>				<u>FIDUCIARY</u> <u>FUND TYPES</u>	<u>ACCOUNT</u> <u>GROUP</u>	<u>TOTALS</u> <u>(MEMO. ONLY)</u>
	<u>GENERAL</u>	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>CAPITAL</u> <u>PROJECTS</u>	<u>EXPENDABLE</u> <u>TRUST AND</u> <u>AGENCY FUND</u>	<u>GENERAL</u> <u>LONG-TERM</u> <u>DEBT</u>	
Cash	\$ 6,062,825	5,727,166	3,178,322	6,235,960	604,868		21,809,141
Amounts available in debt service						132,497	132,497
Amounts to be provided for retirement of general long-term debt						35,509,592	35,509,592
Total Assets	<u>6,062,825</u>	<u>5,727,166</u>	<u>3,178,322</u>	<u>6,235,960</u>	<u>604,868</u>	<u>35,642,089</u>	<u>57,451,230</u>
 <u>LIABILITIES AND FUND BALANCES</u>							
Liabilities							
Warrants payable	1,019,953	831					1,020,784
Encumbrances	1,325,483	96,938					1,422,421
Funds held for school organizations					604,287		604,287
Unmatured obligations			3,045,825				3,045,825
Long-term debt:							
Bonds payable						13,450,000	13,450,000
Capital leases						22,192,089	22,192,089
Total liabilities	<u>2,345,436</u>	<u>97,769</u>	<u>3,045,825</u>	<u>-</u>	<u>604,287</u>	<u>35,642,089</u>	<u>41,735,406</u>
Fund balances							
Restricted for:							
Expendable trust					581		581
Capital projects				6,235,960			6,235,960
Debt service			132,497				132,497
Child nutrition		239,304					239,304
Building		5,390,091					5,390,091
Co-op		2					2
Unassigned	<u>3,717,389</u>						<u>3,717,389</u>
Total fund balances	<u>3,717,389</u>	<u>5,629,397</u>	<u>132,497</u>	<u>6,235,960</u>	<u>581</u>		<u>15,715,824</u>
Total liabilities and fund balances	<u>\$ 6,062,825</u>	<u>5,727,166</u>	<u>3,178,322</u>	<u>6,235,960</u>	<u>604,868</u>	<u>35,642,089</u>	<u>57,451,230</u>

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

**INDEPENDENT SCHOOL DISTRICT NO. 1-17, WAGONER COUNTY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH FUND**  
**BALANCES REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES**  
**JUNE 30, 2021**

	<u>GOVERNMENTAL FUND TYPES</u>				<u>FIDUCIARY FUND TYPES</u>	<u>TOTALS</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>EXPENDABLE TRUST</u>	<u>(MEMO. ONLY)</u>
Revenues						
Local sources	\$ 4,887,879	699,257	3,168,504	58	426,716	9,182,414
Intermediate sources	1,124,921					1,124,921
State sources	15,068,218	13,552				15,081,770
Federal sources	1,632,503	804,759				2,437,262
Non-revenue receipts	102,995	38,325				141,320
Total revenues	<u>22,816,516</u>	<u>1,555,893</u>	<u>3,168,504</u>	<u>58</u>	<u>426,716</u>	<u>27,967,687</u>
Expenditures						
Instruction	15,800,110	13,937		200,000	3,393	16,017,440
Support services	8,055,253	9,174		58,617	422,742	8,545,786
Operation of non-instructional services	7,060	849,681				856,741
Facilities, acquisition and const. services		53,140		2,058,476		2,111,616
Other outlays	31,520	18,402				49,922
Debt service			3,179,007			3,179,007
Total expenditures	<u>23,893,943</u>	<u>944,334</u>	<u>3,179,007</u>	<u>2,317,093</u>	<u>426,135</u>	<u>30,760,512</u>
Revenues over (under) expenditures	(1,077,427)	611,559	(10,503)	(2,317,035)	581	(2,792,825)
Other financing sources (uses)						
Inter-fund transfers in (out)	(745)	745				-
Estopped warrants	125					125
Lapsed appropriations	123,951					123,951
Bond proceeds				8,310,673		8,310,673
Total other financing sources (uses)	<u>123,331</u>	<u>745</u>		<u>8,310,673</u>		<u>8,434,749</u>
Revenue and other sources over (under) expenditures and other uses	(954,096)	612,304	(10,503)	5,993,638	581	5,641,924
Cash fund balance, beginning of year	<u>4,671,485</u>	<u>5,017,093</u>	<u>143,000</u>	<u>242,322</u>	<u>-</u>	<u>10,073,900</u>
Cash fund balance, end of year	<u>\$ 3,717,389</u>	<u>5,629,397</u>	<u>132,497</u>	<u>6,235,960</u>	<u>581</u>	<u>15,715,824</u>

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

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
REGULATORY BASIS - BUDGETED GENERAL FUND  
JUNE 30, 2021**

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 4,294,998	4,294,998	4,887,879
Intermediate sources	695,118	695,118	1,124,921
State sources	15,290,671	15,290,671	15,068,218
Federal sources	968,618	968,618	1,632,503
Non-revenue receipts			102,995
Total revenues	21,249,405	21,249,405	22,816,516
Expenditures			
Instruction			15,800,110
Support services			8,055,253
Operation of non-instructional services			7,060
Other outlays			31,520
Non-categorical	25,920,890	25,920,890	
Total expenditures	25,920,890	25,920,890	23,893,943
Revenues over (under) expenditures	(4,671,485)	(4,671,485)	(1,077,427)
Other financing sources (uses)			
Inter-fund transfers in (out)			(745)
Estopped warrants			125
Lapsed appropriations			123,951
Total other financing sources (uses)			123,331
Revenue and other sources over (under) expenditures and other uses	(4,671,485)	(4,671,485)	(954,096)
Cash fund balance, beginning of year	4,671,485	4,671,485	4,671,485
Cash fund balance, end of year	\$ -	-	3,717,389

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

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
REGULATORY BASIS - ALL BUDGETED SPECIAL REVENUE FUNDS  
JUNE 30, 2021**

	SPECIAL REVENUE FUNDS		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 826,111	826,111	699,257
State sources	9,878	9,878	13,552
Federal sources	646,191	646,191	804,759
Non-revenue receipts	112,203	112,948	38,325
Total revenues	1,594,383	1,595,128	1,555,893
Expenditures			
Instruction			13,937
Support services			9,174
Operation of non-instructional services			849,681
Facilities acquisitions and construction			53,140
Other outlays			18,402
Non-categorical	6,611,476	6,612,221	
Total expenditures	6,611,476	6,612,221	944,334
Revenues over (under) expenditures	(5,017,093)	(5,017,093)	611,559
Other financing sources (uses)			
Inter-fund transfers in (out)			745
Revenue and other sources over (under) expenditures and other uses	(5,017,093)	(5,017,093)	612,304
Cash fund balance, beginning of year	5,017,093	5,017,093	5,017,093
Cash fund balance, end of year	\$ -	-	5,629,397

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

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**REGULATORY BASIS - DEBT SERVICE FUNDS**  
**JUNE 30, 2021**

	DEBT SERVICE FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 3,036,007	3,036,007	3,168,504
Total revenues	3,036,007	3,036,007	3,168,504
Expenditures			
Other outlays			
Debt service	3,179,007	3,179,007	3,179,007
Revenues over (under) expenditures	(143,000)	(143,000)	(10,503)
Cash fund balance, beginning of year	143,000	143,000	143,000
Cash fund balance, end of year	\$ -	-	132,497

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

**NOTES TO COMBINED FINANCIAL STATEMENTS -  
REGULATORY BASIS**

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**1. Summary of Significant Accounting Policies**

The basic financial statements of the Coweta Public Schools Independent District No. I-17 (the "District") have been prepared in conformity with another comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

*A. Reporting Entity*

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

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

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

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity. The Parent Teacher Association (PTA) is not included in the reporting entity. The District does not appoint any of the board members or exercise any oversight authority over the PTA.

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

1. **Summary of Significant Accounting Policies-** contd.

*B. Fund Accounting*

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.

Special Revenue Fund - The special revenue funds are the District's building, co-op and child nutrition funds.

Building Fund - The building fund consists of monies derived 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 the 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.

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**1. Summary of Significant Accounting Policies- contd.**

*B. Fund Accounting - contd.*

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.

Capital Projects Funds - 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.

**Proprietary Fund Types**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). The District has no proprietary fund types.

**Fiduciary Fund Types**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under a trust agreement, either a nonexpendable trust fund or an expendable trust fund is used depending on whether there is an obligation to maintain trust principal. Agency funds are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

1. **Summary of Significant Accounting Policies-** contd.

*B. Fund Accounting* - contd.

Expendable Trust Funds - Expendable trust funds include the gifts and endowments fund, medical insurance fund, worker's compensation fund and the insurance recovery fund. The District did maintain an insurance recovery fund during the 2020-21 fiscal year.

Gifts Fund - The gifts 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.

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

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

Insurance Recovery Fund - The insurance recovery fund accounts for all types of insurance recoveries, major reimbursements and reserves for property repairs and replacements.

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

**Account Group**

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

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

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

1. **Summary of Significant Accounting Policies-** contd.

B. *Fund Accounting* - contd.

**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, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

C. *Basis of Accounting and Presentation*

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

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

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

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

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**1. Summary of Significant Accounting Policies- contd.**

*D. Budgets and Budgetary Accounting*

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

The District may upon approval by a majority of the electors of the District voting on the question make the ad valorem levy for emergency levy and local support levy permanent.

Under current Oklahoma Statutes, a formal budget is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories.

*E. Assets, Liabilities and Fund Balances*

Cash - Cash consists of cash on hand, demand deposit accounts, and interest-bearing checking accounts.

Investments - Investments consist of direct obligations of the United States Government and agencies; certificates of deposit of savings and loan associations, bank and trust companies; savings accounts or savings certificates of savings and loan associations, and trust companies; and warrants, bonds or judgments of the district. All investments are recorded at cost, which approximates market value.

Inventories - The value of consumable inventories at June 30, 2021 is not material to the combined financial statements-regulatory basis.

Fixed Assets and Property, Plant and Equipment - The General Fixed Asset Account Group is not presented.

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.

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**1. Summary of Significant Accounting Policies- contd.**

*E. Assets, Liabilities and Fund Balances – contd.*

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.

Unmatured Obligations - The unmatured obligations represent the total of all annual accruals for both principal and interest, based on the lengths of the bonds and/or judgments, less all principal and interest payments through the balance sheet date in accordance with the regulatory basis of accounting.

Funds Held for School Organizations - Funds held for school organizations represent the funds received or collected from students or other co-curricular 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. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Balance – Cash fund balance represents the funds not encumbered by purchase order, legal contracts, outstanding warrants and unmatured obligations.

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 special purposes versus availability of appropriations. 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) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY  
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**1. Summary of Significant Accounting Policies- contd.**

*E. Assets, Liabilities and Fund Balances – contd.*

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, 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 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. The School Board is the highest level of decision-making authority of the School District.
- **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 includes 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 purpose 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 roll for submission to the county treasurer prior to October

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**1. Summary of Significant Accounting Policies- contd.**

*F. Revenue and Expenditures- contd.*

1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes are due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January

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

Other local sources of revenues include interest earnings, 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 were collected within such systems.

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

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

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided 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 categorical educational program revenues be accounted for in the general fund.

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**1. Summary of Significant Accounting Policies- contd.**

*F. Revenue and Expenditures- contd.*

The aforementioned state revenues are apportioned to the District's 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 pass-through from another government, such as the state.

An 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-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 co-curricular 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.

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**1. Summary of Significant Accounting Policies- contd.**

*F. Revenue and Expenditures - contd.*

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 improvement to sites.

Other Outlays/Uses 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) when applicable. Other uses include scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditure 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.

Inter-fund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditure/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 non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. There were no operating transfers made during the 2020-21 fiscal year.

**2. Deposits and Investments**

Custodial Credit Risk

On June 30, 2021, the District held deposits of approximately \$21,809,141 at financial institutions. The District's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. government insured or collateralized with securities held by the District or by its agent in the District's name.

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**2. Deposits and Investments – contd.**

*Investment Interest Rate Risk*

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Investment Credit Risk*

The District has no policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposits or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipations notes of public trusts whose beneficiary is a county, municipality or school district.
- e. 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.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

There were no investments held at June 30, 2021.

**3. 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 can be 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.

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**3. General Long-term Debt – contd.**

General long-term debt of the District consists of building bonds payable and two (2) capital leases. Debt service requirements for bonds are payable solely from the fund balance and the future revenues of the debt service fund.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2021:

	Bonds Payable	Capital Leases	Totals
Balance, July 1, 2020	\$ 8,175,000	23,240,633	31,415,633
Additions	8,300,000	392,255	8,692,255
Retirements	3,025,000	1,440,799	4,465,799
Balance, June 30, 2021	<u>\$ 13,450,000</u>	<u>22,192,089</u>	<u>35,642,089</u>

A brief description of the outstanding long-term debt at June 30, 2021 is set forth below:

	<u>Amount outstanding</u>
<u>General Obligation Bonds</u>	
Building Bonds, Series 2021, original issue \$6,200,000, interest rate of 0.60%, due in annual installments of \$3,100,000 beginning 6/1/23, final installment due 6/1/24;	\$ 6,200,000
Building Bonds, Series 2020, original issue \$2,100,000, interest rate of 0.80%, due in annual installments of \$1,050,000 beginning 8/1/22, final installment due 8/1/23;	2,100,000
Building Bonds, Series 2019, original issue \$4,300,000, interest rate of 1.7-2.0%, due in annual installments of \$2,150,000 beginning 8/1/21, final installment due 8/1/22;	4,300,000
Building Bonds, Series 2018, original issue \$1,700,000, interest rate of 2.5-2.625%, due in annual installments of \$850,000 beginning 8/1/20, final installment due 8/1/21;	850,000

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**3. General Long-term Debt – contd**

	<u>Amount outstanding</u>
<u>Capital Leases</u>	
Lease agreement for LED lighting, dated 6-14-21, totaling \$392,255, interest rate of 4.23%, due in monthly principal and interest installments of \$5,461 beginning 10-11-21, with the final payment due 9-11-28;	\$ 392,255
Lease agreement for real property, dated 8-15-14, totaling \$33,000,000, interest rate of 2.66%, due in annual principal and interest installments of various amounts beginning 9-15-15, with the final payment due 9/15/26;	<u>21,799,834</u>
Total	<u>\$ 35,642,089</u>

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

Year ending June 30	Principal	Interest	Total
2022	\$ 3,000,000	86,656	3,086,656
2023	6,300,000	72,275	6,372,275
2024	4,150,000	27,000	4,177,000
Totals	<u>\$ 13,450,000</u>	<u>185,931</u>	<u>13,635,931</u>

There was \$170,750 interest paid on general long-term debt incurred during the current year.

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

Year ending June 30	Principal	Interest	Total
2022	\$ 3,701,178	595,974	4,297,152
2023	2,025,982	496,555	2,522,537
2024	3,973,696	441,842	4,415,538
2025	2,587,319	335,219	2,922,538
2026	4,254,071	265,466	4,519,537
2027-2031	5,649,843	153,616	5,803,459
Totals	<u>\$ 22,192,089</u>	<u>2,288,672</u>	<u>24,480,761</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**4. Employee Retirement System**

Plan Description

The District participates in the state-administered Oklahoma Teachers' Retirement Plan, 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 Teachers' Retirement System of Oklahoma, P.O. Box 53524, 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.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employees 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 liability amount is not required to be presented on the financial statements.

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. Beginning, July 1,

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**4. Employee Retirement System – contd.**

2010, the District and State were required to contribute 14.5% of applicable compensation. Contributions received by the System are from a percentage of its revenues from sales taxes, use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% beginning January 1, 2010 and the State of Oklahoma contributed the remaining 5.0% during the year. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. In addition, the District is required to match the retirement paid on salaries that are funded with federal funds.

Annual Pension Cost

The District's portion of the total contributions for 2021, 2020 and 2019 were \$1,331,529, \$1,317,087, and \$1,298,445, respectively.

**5. Contingencies**

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

**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; and natural disasters. The District continues to carry commercial insurance for these risks, including general and auto liability, property damage, and public official's liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

**7. Subsequent Events**

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

**OTHER SUPPLEMENTARY INFORMATION – REGULATORY  
BASIS - COMBINING FINANCIAL STATEMENT**

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND**  
**BALANCES - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**

<u>ASSETS</u>	<u>BUILDING FUND</u>	<u>CO-OP FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (MEMO. ONLY)</u>
Cash	\$ 5,445,889	2	281,275	5,727,166
Total assets	<u>5,445,889</u>	<u>2</u>	<u>281,275</u>	<u>5,727,166</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Warrants payable			831	831
Encumbrances	<u>55,798</u>		<u>41,140</u>	<u>96,938</u>
Total liabilities	<u>55,798</u>		<u>41,971</u>	<u>97,769</u>
Fund Balances				
Restricted	<u>5,390,091</u>	<u>2</u>	<u>239,304</u>	<u>5,629,397</u>
Total Liabilities and Fund Balances	<u>\$ 5,445,889</u>	<u>2</u>	<u>281,275</u>	<u>5,727,166</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**CASH FUND BALANCES - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**

	BUILDING FUND	CO-OP FUND	CHILD NUTRITION FUND	TOTALS (MEMO. ONLY)
Revenues				
Local sources	\$ 669,578		29,679	699,257
State sources			13,552	13,552
Federal sources		13,192	791,567	804,759
Non-revenue receipts			38,325	38,325
Total revenues	<u>669,578</u>	<u>13,192</u>	<u>873,123</u>	<u>1,555,893</u>
Expenditures				
Instruction		13,937		13,937
Support services	9,174			9,174
Operation of non-instructional services			849,681	849,681
Facilities, acquisition and const. services	53,140			53,140
Other outlays			18,402	18,402
Total expenditures	<u>62,314</u>	<u>13,937</u>	<u>868,083</u>	<u>944,334</u>
Revenues over (under) expenditures	607,264	(745)	5,040	611,559
Other financing sources (uses)				
Inter-fund transfers in (out)		<u>745</u>		<u>745</u>
Revenue and other sources over (under) expenditures and other uses	607,264	-	5,040	612,304
Cash fund balance, beginning of year	<u>4,782,827</u>	<u>2</u>	<u>234,264</u>	<u>5,017,093</u>
Cash fund balance, end of year	<u>\$ 5,390,091</u>	<u>2</u>	<u>239,304</u>	<u>5,629,397</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**- REGULATORY BASIS - ALL BUDGETED SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**

	BUILDING FUND			CO-OP FUND			CHILD NUTRITION FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues									
Local sources	\$ 613,571	613,571	669,578				212,540	212,540	29,679
State sources							9,878	9,878	13,552
Federal sources				13,192	13,192	13,192	632,999	632,999	791,567
Non-revenue receipts					745		112,203	112,203	38,325
Total revenues	613,571	613,571	669,578	13,192	13,937	13,192	967,620	967,620	873,123
Expenditures									
Instruction						13,937			
Support services			9,174						
Operation of non-instructional services									849,681
Facilities acquisitions and construction			53,140						
Other outlays									18,402
Non-categorical	5,396,398	5,396,398		13,194	13,939		1,201,884	1,201,884	
Total expenditures	5,396,398	5,396,398	62,314	13,194	13,939	13,937	1,201,884	1,201,884	868,083
Revenues over (under) expenditures	(4,782,827)	(4,782,827)	607,264	(2)	(2)	(745)	(234,264)	(234,264)	5,040
Other financing sources (uses)									
Inter-fund transfers in (out)						745			
Revenue and other sources over (under) expenditures and other uses	(4,782,827)	(4,782,827)	607,264	(2)	(2)	-	(234,264)	(234,264)	5,040
Cash fund balance, beginning of year	4,782,827	4,782,827	4,782,827	2	2	2	234,264	234,264	234,264
Cash fund balance, end of year	\$ -	-	5,390,091	-	-	2	-	-	239,304

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND**  
**BALANCES - REGULATORY BASIS - ALL CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2021**

	31 BUILDING BOND FUND	32 BUILDING BOND FUND	39 COMB. PURP. BOND FUND	TOTALS (MEMO. ONLY)
<u>ASSETS</u>				
Cash	\$ 272	6,210,673	25,015	6,235,960
Total assets	<u>272</u>	<u>6,210,673</u>	<u>25,015</u>	<u>6,235,960</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Fund Balances				
Restricted	<u>272</u>	<u>6,210,673</u>	<u>25,015</u>	<u>6,235,960</u>
Total Liabilities and Fund Balances	<u>\$ 272</u>	<u>6,210,673</u>	<u>25,015</u>	<u>6,235,960</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**CASH FUND BALANCES - REGULATORY BASIS - ALL CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2021**

	31 BUILDING BOND FUND	32 BUILDING BOND FUND	38 COMB. PURP. BOND FUND	39 COMB. PURP. BOND FUND	TOTALS (MEMO. ONLY)
Revenues					
Local sources	\$ 55			3	58
Total revenues	<u>55</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>58</u>
Expenditures					
Instruction				200,000	200,000
Support services	58,617				58,617
Facilities, acquisition & const. services	<u>2,058,476</u>				<u>2,058,476</u>
Total expenditures	<u>2,117,093</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>2,317,093</u>
Revenues over (under) expenditures	(2,117,038)	-	-	(199,997)	(2,317,035)
Other financing sources (uses)					
Inter-fund transfers in (out)	17,310		(17,701)	391	-
Lapsed appropriations					-
Bond sales proceeds	<u>2,100,000</u>	<u>6,210,673</u>			<u>8,310,673</u>
Total other financing sources (uses)	<u>2,117,310</u>	<u>6,210,673</u>	<u>(17,701)</u>	<u>391</u>	<u>8,310,673</u>
Revenue and other sources over (under) expenditures and other uses	272	6,210,673	(17,701)	(199,606)	5,993,638
Cash fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>17,701</u>	<u>224,621</u>	<u>242,322</u>
Cash fund balance, end of year	<u><u>272</u></u>	<u><u>6,210,673</u></u>	<u><u>-</u></u>	<u><u>25,015</u></u>	<u><u>6,235,960</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND**  
**BALANCES - REGULATORY BASIS - ALL FIDUCIARY FUND TYPES**  
**JUNE 30, 2021**

	EXPENDABLE TRUST FUND	AGENCY FUNDS	
	INS. REC. FUND	ACTIVITY FUNDS	TOTAL (MEMO ONLY)
<u>ASSETS</u>			
Cash	\$ 581	604,287	604,868
Total assets	<u>581</u>	<u>604,287</u>	<u>604,868</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Funds held for school organizations		604,287	604,287
Total liabilities		<u>604,287</u>	<u>604,287</u>
Fund Balances			
Cash fund balances	<u>581</u>	<u>-</u>	<u>581</u>
Total Liabilities and Fund Balances	<u>\$ 581</u>	<u>604,287</u>	<u>604,868</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**REGULATORY BASIS - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Balance July 1, 2020	Additions	Net Transfers	Deletions	Balance June 30, 2021
<b>Assets</b>					
Cash	<u>\$ 569,291</u>	<u>584,726</u>	<u>-</u>	<u>549,730</u>	<u>604,287</u>
<b>Liabilities</b>					
Funds held for student organizations					
Football	\$ 57,537	63,463		68,078	52,922
Basketball	34,519	32,210		20,544	46,185
Volleyball	5,539	10,183		8,783	6,939
Baseball	1,629	19,372		11,399	9,602
Softball	6,266	5,043		9,474	1,835
Wrestling	6,636	3,119		4,156	5,599
Archery	3,346	-		-	3,346
Soccer	13,324	10,030		8,410	14,944
Track	6,011	6,669		9,172	3,508
Golf	887	3,275		1,040	3,122
Band Concess	19,683	32,441		20,581	31,543
Yearbook	12,037	4,050		5,243	10,844
HS Cheer	4,194	19,587		15,526	8,255
HS Stuco	3,088	1,811		1,148	3,751
HS Art	452	1,269		760	961
HS Band	22,269	62,846		50,048	35,067
NHS	7,606	1,171		1,700	7,077
FFA	32,552	125,875		115,034	43,393
TSA	5,681	4,871		460	10,092
FCCLA	455	248		473	230
Junior Class	16,606	16,060		16,879	15,787
Senior Class	20,768	3,087		9,320	14,535
Life Skills	3,753	2,121		1,603	4,271
Courage Up	1,269	-		-	1,269
NASO	826	-		-	826
HS Activity Account	8,994	3,508		8,998	3,504
Drama	1,106	331		313	1,124
Game View	71	-		-	71
JH Cheer	592	15,044		10,752	4,884
JH Stuco	4,378	1,817		2,624	3,571
JH Spirit Committee	682	-		-	682
JH FCCLA	1,030	479		228	1,281
JH Yearbook	9,043	3,082		3,534	8,591
NJHS	1,793	580		510	1,863
JH Spanish Club	110	113		91	132
JH Activity Account	3,929	1,633		1,797	3,765
Math counts	1,252	-		-	1,252
JH Library	\$ 2,369	255		372	2,252

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**REGULATORY BASIS - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Balance <u>July 1, 2020</u>	<u>Additions</u>	Net <u>Transfers</u>	<u>Deletions</u>	Balance <u>June 30, 2021</u>
Central Elementary	\$ 9,435	8,722		8,480	9,677
Northwest Elementary	2,474	2,345		1,902	2,917
Mission IGC	17,703	13,831		10,541	20,993
Southside Elementary	17,816	3,998		4,291	17,523
Heritage IGC	3,169	7,110		9,350	929
Drug Testing Students	6,599	-		4,432	2,167
Contingency	28,165	77		409	27,833
Pictures	26,160	1,903		-	28,063
Miscellaneous Acct	62,396	23,350		20,826	64,920
HS Library	1,202	111		203	1,110
Model UN	5	-		-	5
Lunch Collections	-	19,923		19,923	-
HS Academic Team	1,219	375		370	1,224
Spanish Club	398	-		-	398
CHS Counseling Dept	8,588	6,778		8,694	6,672
Alt Ed Dept	429	-		-	429
Mock Trial Acct	406	-		60	346
HS Technology Fee	18,816	16,179		18,995	16,000
Choir	-	1,084		440	644
I-High Activity Acct	2,944	1,477		2,418	2,003
I-Hi Art	671	-		-	671
I-Hi FCCLA	1,770	5		173	1,602
I-Hi Yearbook	949	2,185		1,624	1,510
I-Hi NHS	2,614	160		1,315	1,459
I-Hi Library	314	127		-	441
Freshman Cheer	801	-		-	801
Freshman Class	4,409	2,302		2,974	3,737
JH Life Skills	5,123	1,332		852	5,603
I-Hi Spanish Club	109	-		-	109
I-Hi Life Skills	1,383	2,328		1,467	2,244
I-Hi Technology Fee	7,417	6,666		7,416	6,667
JH Technology Fee	13,525	6,715		13,525	6,715
 Total Liabilities	 \$ 569,291	 584,726	 -	 549,730	 604,287

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2020	Revenue Collected	Total Expenditures	Ending Balance 6/30/2021
<u>U.S. Department of Education</u>							
<u>Direct Programs:</u>							
Title VI-Part A, Indian Education	84.060	561	\$ 173,598		112,874	173,598	(60,724)
Title VI-Part A, Indian Education 2019-20	84.060	799		(68,772)	68,772		
<b>Subtotal - Direct Programs</b>			<u>173,598</u>	<u>(68,772)</u>	<u>181,646</u>	<u>173,598</u>	<u>(60,724)</u>
<u>Passed Through State Department of Education:</u>							
Title I-Part A, Improving Basic Programs	84.010	511	450,132		221,426	394,231	(172,805)
Title I-Part A, Improving Basic Programs 2019-20	84.010	799		(148,225)	148,225		
Title II-Part A, Teacher & Principal Training	84.367	541	114,202		41,776	92,787	(51,011)
Title II-Part A 2019-20	84.367	799		(8,351)	8,351		
Title III, ELA	84.365	572	13,192		13,192	13,192	
Title IV-SSAE Grant	84.424A	552	27,639			23,158	(23,158)
Title IV-SSAE Grant 2019-20	84.424A	799		(21,092)	21,092		
* CARES Act Funding Cluster:							
ESSERF (Covid-19)	84.425D	788	315,777		237,988	315,777	(77,789)
ESSER II (Covid-19)	84.425D	793	1,464,958			1,463,556	(1,463,556)
ESSER II (Covid-19)	84.425D	794	384,017			384,017	(384,017)
Subtotal CARES Act Funding (Cluster)			<u>2,164,752</u>	<u>-</u>	<u>237,988</u>	<u>2,163,350</u>	<u>(1,925,362)</u>
Special Education Cluster:							
IDEA-B Prof. Dev-SDE 2019-20	84.027	799		(364)	364		
IDEA-B Flowthrough	84.027	621	652,531		222,381	648,324	(425,943)
IDEA-B Flowthrough 2019-20	84.027	799		(412,803)	412,803		
IDEA-B Preschool	84.173	641	12,755			12,755	(12,755)
IDEA-B Preschool 2019-20	84.173	799		(12,729)	12,729		
Subtotal - Special Education Program (Cluster)			<u>665,286</u>	<u>(425,896)</u>	<u>648,277</u>	<u>661,079</u>	<u>(438,698)</u>
<b>Subtotal - Passed Through State Dept of Education</b>			<u>\$ 3,435,203</u>	<u>(603,564)</u>	<u>1,340,327</u>	<u>3,347,797</u>	<u>(2,611,034)</u>
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education:</u>							
<u>Child Nutrition Cluster:</u>							
<u>Cash Assistance:</u>							
National School Lunch Program	10.555	763			597,776	550,506	47,270
School Breakfast Program	10.553	764			193,790	193,693	97
Cash Assistance Subtotal				<u>-</u>	<u>791,566</u>	<u>744,199</u>	<u>47,367</u>
<u>Passed Through State Department of Human Services:</u>							
Non-cash Assistance (Commodities)	10.555	N/A			75,518	75,518	
<b>Subtotal - Child Nutrition Program (Cluster)</b>				<u>-</u>	<u>867,084</u>	<u>819,717</u>	<u>47,367</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1-17, WAGONER COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2020	Revenue Collected	Total Expenditures	Ending Balance 6/30/2021
<u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130	563	\$ 42,840		22,717	28,557	(5,840)
Johnson O'Malley 2019-20	15.130	799		(21,115)	21,115		
Johnson O'Malley 3 month	15.130	564	9,282		9,282	9,282	
Medicaid	93.778	698	65,728		65,728	65,728	
OJT-Rehabilitation Services	84.126	456	1,239	(254)	1,493	1,239	
Flood Control	12.112	770	3,388		3,388	3,388	
<b>Subtotal - Other Federal Assistance</b>			<u>122,477</u>	<u>(21,369)</u>	<u>123,723</u>	<u>108,194</u>	<u>(5,840)</u>
<b>Total Federal Assistance</b>			<u>\$ 3,731,278</u>	<u>(693,705)</u>	<u>2,512,780</u>	<u>4,449,306</u>	<u>(2,630,231)</u>

\* Major federal programs

Note 1 - Commodities received by the District in the amount of \$75,518 were of a non-monetary nature and therefore the total revenue does not agree with the financial statements by this amount. These commodities are reported at fair market value.

Note 2 - There were no amounts passed to subrecipients.

Note 3 - Grantor provides adequate insurance coverage against loss on assets purchased with Federal Awards.

Note 4 - The information in this schedule 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). Expenditures are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements. These expenditures are recognized following the cost principles contained in the Uniform Guidance. The District has also elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY**  
**SCHEDULE OF SURETY BONDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

<u>BONDING COMPANY</u>	<u>POSITION COVERED</u>	<u>BOND NUMBER</u>	<u>COVERAGE AMOUNT</u>	<u>EFFECTIVE DATES</u>
Liberty Mutual Surety	Superintendent	601118136	\$100,000	4/9/21-4/9/22
	Treasurer	601118136	\$100,000	4/9/21-4/9/22
	Activity Fund Custodian	601118136	\$25,000	4/9/21-4/9/22
	Minutes Clerk	601118136	\$25,000	4/9/21-4/9/22
	Payroll Clerk	601118136	\$25,000	4/9/21-4/9/22
	Encumbrance Clerk	601118136	\$1,000	4/9/21-4/9/22



**JENKINS & KEMPER**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA  
MICHAEL KEMPER, CPA

**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  
Coweta School District No. I-017  
Coweta, Oklahoma 74429-0550

We have audited, in accordance with the 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 as listed in the Table of Contents, of Coweta School District No. I-017, Coweta, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 14, 2021. This report 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 over 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, noncompliance 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 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.

*Jenkins & Kemper, CPAs P.C.*

Jenkins & Kemper  
Certified Public Accountants, P.C.

October 14, 2021



**JENKINS & KEMPER**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA  
MICHAEL KEMPER, CPA

**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  
Coweta School District No. I-017  
Coweta, Oklahoma 74429-0550

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

We have audited the Coweta School District No. I-017, Coweta, Oklahoma'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 its major federal programs for the year ended June 30, 2021. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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* (The Uniform Guidance). Those standards and the 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, Coweta School District No. I-017, Coweta, Oklahoma 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, 2021.

### **Report on Internal Control over Compliance**

The management of the Coweta School District No. I-017, Coweta, Oklahoma 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 our 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 the 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 a 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 for 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.

*Jenkins & Kemper, CPAs P.C.*

Jenkins & Kemper  
Certified Public Accountants, P.C.

October 14, 2021

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JULY 1, 2020 TO JUNE 30, 2021**

**Summary of Auditor's Results**

1. The auditor's report expresses an adverse opinion on the combined financial statements in conformity with generally accepted accounting principles and a qualified opinion 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. No significant deficiencies relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of the District were reported during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance"
5. An unqualified opinion report was issued on the compliance of major federal award programs.
6. The audit disclosed no audit findings and questioned costs, which are required to be reported under the Uniform Guidance.
7. Major Programs Identified: Elementary & Secondary School Emergency Relief (84.425D) programs, which were clustered in the determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The District did not qualify to be a low-risk auditee.

**Findings – Financial Statement Audit**

None

**Findings and Questioned Costs – Major Federal Award Programs Audit**

None

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY  
DISPOSITION OF PRIOR YEAR'S SCHEDULE OF FINDINGS  
JULY 1, 2020 TO JUNE 30, 2021**

There were no material prior year audit findings.

**INDEPENDENT SCHOOL DISTRICT NO. I-17, WAGONER COUNTY  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL  
LIABILITY INSURANCE AFFIDAVIT  
JULY 1, 2020 TO JUNE 30, 2021**

State of Oklahoma     )  
County of Tulsa        )

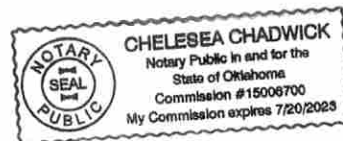
The undersigned auditing firm representative of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Coweta School District for the audit year 2020-21.

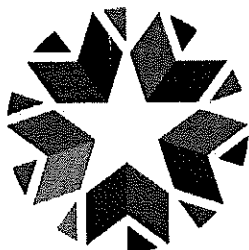
Jenkins & Kemper, CPAs, P.C.  
AUDITING FIRM

BY *Jack H. Jenkins*  
AUTHORIZED AGENT

Subscribed and sworn to before me on this  
18<sup>th</sup> day of, October, 2021

*Chelesea Chadwick*  
NOTARY PUBLIC





# OKLAHOMA Education

Audit Acknowledgement

Audit Year: 2020-2021

District Name Coweta Public Schools

District Number I-17

County Name Wagoner

County Code 73

The annual independent audit was presented to the Board of Education in a meeting conducted in accordance with the Open Meeting Act 25 O.S. Section 301-314 on 11-8-2021.

The audit was presented by Jenkins & Kemper, CPAs, P.C.

(Independent Auditor)

Date of Meeting

Jack H. Jenkins  
(Independent Auditor's Signature)

The School Board acknowledges that as the governing body of the district, responsible for the district's financial and compliance operations, the audit findings and exceptions have been presented to them.

A copy of the audit, including this acknowledgement form, will be sent to the State Board of Education and the State Auditor and Inspector within 30 days from its presentation, as stated in 70 O.S. § 22-108:

"The district board of education shall forward a copy of the auditor's opinions and related financial statements to the State Board of Education and the State Auditor and Inspector within thirty (30) days after receipt of the audit."

Signature of the Board of Education:

[Signature]  
Superintendent

[Signature]  
Board of Education President

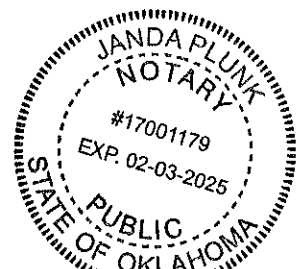
[Signature]  
Board of Education Vice President

[Signature]  
Board of Education Member

[Signature]  
Board of Education Member

[Signature]  
Board of Education Member

[Signature]  
Board of Education Member



Subscribed and sworn before me on 11-8-21

Janda Plunk  
(Notary Public)

My Commission expires 2-3-2025

Updated 7/2021