

CROOKED OAK SCHOOL DISTRICT NO. I-053
OKLAHOMA COUNTY, OKLAHOMA
JUNE 30, 2021

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CROOKED OAK SCHOOL DISTRICT NO. I-053

OKLAHOMA COUNTY, OKLAHOMA

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Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
School District Officials
June 30, 2021

BOARD OF EDUCATION

President	Tammy Carpenter
Vice President	Vikki Barrington
Clerk	Robin Throneberry
Member	Melva Brinlee
Member	Brandon Andrews

SUPERINTENDENT OF SCHOOLS

Bradley Richards

SCHOOL DISTRICT TREASURER

Tammy Thele

ENCUMBRANCE CLERK

April Dwyer

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Crooked Oak School District No. I-053
Oklahoma County, Oklahoma

Board Members:

Report on Financial Statements

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Crooked Oak School District No. I-053, Oklahoma County, 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 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 the financial reporting provisions of the Oklahoma State Department of Education to meet financial reporting requirements of the State of Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

As described in Note 1, the financial statements are prepared by Crooked Oak School District No. I-053 Oklahoma County, Oklahoma, 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 meet the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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” paragraph, the financial statements referred to in the above paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Crooked Oak School District No. I-053, Oklahoma County, Oklahoma, as of June 30, 2021, or the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

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

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and fund balance arising from regulatory basis transactions of each fund type and account group of Crooked Oak School District No. I-053, Oklahoma County, Oklahoma as of June 30, 2021, and the revenues collected, expenditures paid and encumbered, and budgetary results, for the year ended on the regulatory basis of accounting described in Note 1.

Other Matters

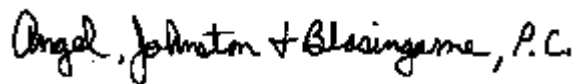
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Crooked Oak School District No. I-053, Oklahoma County, Oklahoma’s basic financial statements. The combining statements—regulatory basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements-regulatory basis and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole 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 our report dated November 1, 2021, on our consideration of the Crooked Oak School District No. I-053, Oklahoma County, Oklahoma'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 Crooked Oak School District No. I-053, Oklahoma County, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering Crooked Oak School District No. I-053, Oklahoma County, Oklahoma's internal control over financial reporting and compliance.



Chickasha, Oklahoma
November 1, 2021

COMBINED FINANCIAL STATEMENTS

Crooked Oak School District No. I-53, Oklahoma County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Fund Types and Account Groups
June 30, 2021

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long- Term Debt	June 30, 2021
ASSETS							
Cash and Cash Equivalents	\$ 1,821,830	\$ 972,993	\$ 66,950	\$ 2,111,477	\$ 116,934	\$ 0	\$ 5,090,184
Investments	0	0	0	0	0	0	0
Amounts Available in Debt Service Fund	0	0	0	0	0	66,950	66,950
Amounts to be Provided for Retirement of General Long-Term Debt	0	0	0	0	0	3,738,050	3,738,050
Amounts to be Provided For Capitalized Lease Agreements	0	0	0	0	0	13,026,034	13,026,034
Amounts to be Provided For Compensated Absences	0	0	0	0	0	131,040	131,040
Total Assets	\$ 1,821,830	\$ 972,993	\$ 66,950	\$ 2,111,477	\$ 116,934	\$ 16,962,074	\$ 22,052,258
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants Payable	\$ 380,286	\$ 52,841	\$ 0	\$ 8,657	\$ 0	\$ 0	\$ 441,784
Reserve for Encumbrances	157,443	8,163	0	4,249	0	0	169,855
Due to Activity Groups	0	0	0	0	116,934	0	116,934
General Obligation Bonds Payable	0	0	0	0	0	3,805,000	3,805,000
Capitalized Lease Obligations Payable	0	0	0	0	0	13,026,034	13,026,034
Compensated Absences Payable	0	0	0	0	0	131,040	131,040
Total Liabilities	\$ 537,729	\$ 61,004	\$ 0	\$ 12,906	\$ 116,934	\$ 16,962,074	\$ 17,690,646
Fund Balances:							
Restricted For:							
Debt Service	\$ 0	\$ 0	\$ 66,950	\$ 0	\$ 0	\$ 0	\$ 66,950
Capital Projects	0	0	0	2,098,571	0	0	2,098,571
Building Programs	0	673,016	0	0	0	0	673,016
Child Nutrition Programs	0	238,973	0	0	0	0	238,973
Cooperative Programs	0	0	0	0	0	0	0
Unassigned	1,284,102	0	0	0	0	0	1,284,102
Total Fund Balances	\$ 1,284,102	\$ 911,989	\$ 66,950	\$ 2,098,571	\$ 0	\$ 0	\$ 4,361,612
Total Liabilities and Fund Balances	\$ 1,821,830	\$ 972,993	\$ 66,950	\$ 2,111,477	\$ 116,934	\$ 16,962,074	\$ 22,052,258

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

Crooked Oak School District No. I-53, Oklahoma County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - All Governmental Fund Types
For the Year Ended June 30, 2021

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	June 30, 2021
Revenue Collected:					
Local Sources	\$ 2,252,495	\$ 313,671	\$ 1,956,723	\$ 773	\$ 4,523,662
Intermediate Sources	380,545	6,285	40,421	0	427,252
State Sources	6,018,107	83,760	0	0	6,101,867
Federal Sources	1,677,894	469,064	0	0	2,146,958
Non-Revenue Receipts	8,735	229	815	0	9,779
Total Revenue Collected	\$ 10,337,776	\$ 873,009	\$ 1,997,959	\$ 773	\$ 13,209,518
Expenditures Paid:					
Instruction	\$ 7,472,779	\$ 0	\$ 0	\$ 0	\$ 7,472,779
Support Services	3,466,758	51,396	0	90,847	3,609,002
Operation of Non-Instructional Services	0	550,414	0	0	550,414
Facilities Acquisition and Construction	33,092	16,658	0	1,529,250	1,579,000
Other Outlays	8,735	229	0	0	8,964
Other Uses	0	0	0	0	0
Repayments	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	1,920,000	0	1,920,000
Interest and Fiscal Agent Fees	0	0	142,508	0	142,508
Total Expenditures Paid	\$ 10,981,364	\$ 618,697	\$ 2,062,508	\$ 1,620,097	\$ 15,282,666
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	\$ (643,588)	\$ 254,312	\$ (64,548)	\$ (1,619,324)	\$ (2,073,148)
Adjustments to Prior Year Encumbrances	\$ 61,677	\$ 20,093	\$ 0	\$ 26,055	\$ 0
Other Financing Sources (Uses):					
Estopped Warrants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Bond Proceeds	0	0	0	1,940,000	1,940,000
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 1,940,000	\$ 1,940,000
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	\$ (581,911)	\$ 274,405	\$ (64,548)	\$ 346,731	\$ (25,323)
Fund Balance - Beginning of Year	1,866,013	637,584	131,499	1,751,841	4,386,936
Fund Balance - End of Year	\$ 1,284,102	\$ 911,989	\$ 66,950	\$ 2,098,571	\$ 4,361,612

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

Crooked Oak School District No. I-53, Oklahoma County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances
Budget and Actual - Regulatory Basis - Budgeted Governmental Fund Types
For the Year Ended June 30, 2021

	General Fund			Special Revenue Funds			Debt Service Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:									
Local Sources	\$ 2,039,293	\$ 2,039,293	\$ 2,252,495	\$ 293,385	\$ 293,385	\$ 313,671	\$ 1,943,442	\$ 1,943,442	\$ 1,956,723
Intermediate Sources	292,700	292,700	380,545	0	0	6,285	0	0	40,421
State Sources	5,982,540	5,982,540	6,018,107	73,900	73,900	83,760	0	0	0
Federal Sources	973,835	973,835	1,677,894	511,200	511,200	469,064	0	0	0
Non-Revenue Receipts	0	0	8,735	0	0	229	0	0	815
Total Revenue Collected	\$ 9,288,368	\$ 9,288,368	\$ 10,337,776	\$ 878,485	\$ 878,485	\$ 873,009	\$ 1,943,442	\$ 1,943,442	\$ 1,997,959
Expenditures Paid:									
Instruction	\$ 8,395,505	\$ 8,395,505	\$ 7,472,779	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Support Services	2,758,875	2,758,875	3,466,758	718,084	718,084	51,396	0	0	0
Operation of Non-Instructional Services	0	0	0	799,384	799,384	550,414	0	0	0
Facilities Acquisition and Construction	0	0	33,092	0	0	16,658	0	0	0
Other Outlays	0	0	8,735	0	0	229	2,074,941	2,074,941	2,062,508
Other Uses	0	0	0	0	0	0	0	0	0
Repayments	0	0	0	0	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0	0	0	0	0
Total Expenditures Paid	\$ 11,154,381	\$ 11,154,381	\$ 10,981,364	\$ 1,517,468	\$ 1,517,468	\$ 618,697	\$ 2,074,941	\$ 2,074,941	\$ 2,062,508
Excess of Revenues Collected Over (Under)									
Expenditures Paid Before Adjustments to									
Prior Year Encumbrances	\$ (1,866,013)	\$ (1,866,013)	\$ (643,588)	\$ (638,984)	\$ (638,984)	\$ 254,312	\$ (131,499)	\$ (131,499)	\$ (64,548)
Adjustments to Prior Year Encumbrances	\$ 0	\$ 0	\$ 61,677	\$ 0	\$ 0	\$ 20,093	\$ 0	\$ 0	\$ 0
Other Financing Sources (Uses):									
Estopped Warrants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	1,400	1,400	0	0	0	0
Transfers Out	0	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 1,400	\$ 1,400	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenue Collected									
Over Expenditures Paid and Other Financing									
Sources (Uses)	\$ (1,866,013)	\$ (1,866,013)	\$ (581,911)	\$ (637,584)	\$ (637,584)	\$ 274,405	\$ (131,499)	\$ (131,499)	\$ (64,548)
Fund Balance - Beginning of Year	1,866,013	1,866,013	1,866,013	637,584	637,584	637,584	131,499	131,499	131,499
Fund Balance - End of Year	\$ 0	\$ 0	\$ 1,284,102	\$ 0	\$ 0	\$ 911,989	\$ (0)	\$ (0)	\$ 66,950

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

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies

The basic financial statements of the Crooked Oak School District No. I-053, Oklahoma County, Oklahoma (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.

1.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 the 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 District has various supporting groups. However, the District does not appoint any of the board members or exercise any oversight authority over these groups and the dollar amounts are not material to the District.

1.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 two categories: governmental and fiduciary. Each category, in turn, is divided into separate "fund types."

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies, (continued)

1.B. Fund Accounting, (continued)

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).

1. General Fund - The General Fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenues 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.

2. Special Revenue Funds - The Special Revenue Funds of the District consist of the Building Fund and Child Nutrition Fund.

Building Fund - The Building Fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment.

Child Nutrition Fund - The Child Nutrition Fund consists of monies collected from meals served to students and employees of the District and is expended on food, supplies and salaries to operate the lunchroom. The District also deposits reimbursements received from the National School Lunch and Breakfast programs into this fund.

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

4. Capital Projects Fund - The Capital Projects Fund consists of the District's Combined Purpose Bond Issues. These funds are used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities and acquiring transportation equipment

Fiduciary Fund Types

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

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies, (continued)

1.B. Fund Accounting, (continued)

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

Account Groups

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

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

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

Memorandum Only - Total Column

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

1.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 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 are recorded as assets when purchased.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies, (continued)

1.C. Basis of Accounting and Presentation, (continued)

- 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 require revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and, when revenues are earned and liabilities are incurred for trust funds.

1.D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. The board of education requests an initial temporary appropriations budget from the county excise board before June 30. Then no later than October 1, the board of education prepares financial statement and estimate of needs and files it with the applicable county clerk and the State Department of Education. The final budget may be revised upon approval of the board of education and the county excise board.

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.

1.E. Assets, Liabilities and Fund Equity

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

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

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

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies, (continued)

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

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.

Inventories – The value of consumable inventories at June 30, 2021, is not material to the basic financial statements.

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

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

No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Vested accumulated rights to receive sick pay benefits have not been reported in the general long-term debt account group since the amount is not material to the financial statements.

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

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

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.

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies, (continued)

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

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.

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.

Resource Use Policy

It is the District's policy for all funds that when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources, including fund balances, are available, the District considers restricted amounts to be spent first before any unrestricted amounts are used. Furthermore, it is the District's policy that when an expenditure/expense is incurred for purposes for which committed, assigned, or unassigned resources, including fund balances, are available, the School considers committed amounts to be spent first, followed by assigned amounts and lastly unassigned amounts

1.F. Revenue, Expenses, and Expenditures

State Sources - Revenues from state sources for current operations are primarily governed by the state aid formula under provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of the 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.

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies, (continued)

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

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

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Transfers in/transfers out may not agree because activity fund transactions are not included.

Note 2 – Deposit and Investment Risk

The District held the following deposits and investments at June 30, 2021:

		Carrying Value
Deposits		
Demand Deposits	\$	5,104,599
Time Deposits		<u>0</u>
Total Deposits	\$	<u><u>5,104,599</u></u>
Investments		
	<u>Credit Rating</u>	<u>Maturity</u>
		<u>Fair Value</u>
		\$ <u>0</u>
Total Investments	\$	<u><u>0</u></u>
Reconciliation to the Combined Statement of Assets, Liabilities and Equity		
Cash and Cash Equivalents	\$	5,090,184
Activity Fund Outstanding Checks		14,411
Unlocated difference Activity Fund		<u>4</u>
Total Deposits and Investments	\$	<u><u>5,104,599</u></u>

Custodial Credit Risk – Exposure to custodial credit related to deposits exists when the District holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the District's name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the District holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District's name.

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 2 – Deposit and Investment Risk, (continued)

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

The District did not have any custodian credit risk as of June 30, 2021 as defined above.

Investment Credit Risk – The District has no investment policy that limits its investment choices other than the limitations of state law that generally authorize investment in:

1. 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.
2. Certificates of deposit of banks when such certificates of deposits are secured by acceptable collateral for the deposit of public monies.
3. Savings accounts or saving certificates to the extent that such accounts or certificates are fully insured by the United States Government.
4. Repurchase agreements that have underlying collateral including obligations of the United States government, its agencies and instrumentalities, or the State of Oklahoma.
5. County, municipal or school district debt obligations for which an ad valorem tax may be levied.
6. Money market funds regulated by the SEC and in which investments consist of obligations of the United States, its agencies and instrumentalities.
7. Warrants, bonds or judgments of the school district.
8. Qualified pooled investment programs through an interlocal cooperative agreement formed pursuant to applicable law and to which the board of education has voted to be a member, the investments of which consist of those items specified in paragraphs 1 through 7 above, as well as obligations of the United States agencies and instrumentalities.
9. Any other investment that is authorized by law.

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investment by reporting the credit quality ratings of investment in debt securities as determined by nationally recognized statistical rating organizations-rating agencies-as of the year end. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

The District did not have any investment credit risk as of June 30, 2021, as defined above.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District 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. The District discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments. The District had no investment interest rate risk as defined above.

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 2 – Deposit and Investment Risk, (continued)

Concentration of Investment Credit Risk – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The District places no limit on the amount it may invest in any one issuer.

At June 30, 2021, the District had no concentration of credit risk as defined above.

Note 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 have been approved by the voters and issued by the District for various capital improvements and transportation purposes. These bonds are required to be fully paid serially within 25 years from the date of issue.

General long-term debt of the District consists of bonds payable and lease purchases. Debt service requirements for bonds are payable solely from the fund balance and future revenues of the debt service fund.

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

	Bonds Payable	Capital Lease Obligations	Compensated Absences	Total
Balance July 1, 2020	\$ 3,785,000	\$ 14,569,606	\$ 11,650	\$ 18,366,256
Additions	1,940,000	0	119,390	2,059,390
Retirements	(1,920,000)	(1,543,572)	0	(3,463,572)
Balance, June 30, 2021	\$ 3,805,000	\$ 13,026,034	\$ 131,040	\$ 16,962,074

A brief description of the outstanding general obligation bond issues at June 30, 2021 is set forth below:

	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
2019 Combined Purpose Bonds	2.00%	11/01/2022	\$ 1,865,000	\$ 1,865,000
2021 Building Bonds	0.55%	03/01/2024	1,940,000	\$ 1,940,000
Totals			\$ 3,805,000	\$ 3,805,000

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 3 - General Long-Term Debt (continued)

Presented below is a summary of debt service requirements to maturity by years and by each bond issue:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019 Combined Purpose Bonds			
2021-2022	\$ 0	\$ 18,650	\$ 18,650
2022-2023	1,865,000	37,300	1,902,300
Total 2019 Bonds	<u>\$ 1,865,000</u>	<u>\$ 55,950</u>	<u>\$ 1,920,950</u>
2021 Building Bonds			
2021-2022	\$ 0	\$ 10,670	\$ 10,670
2022-2023	0	10,670	\$ 10,670
2023-2024	1,940,000	10,670	\$ 1,950,670
Total 2019 Bonds	<u>\$ 1,940,000</u>	<u>\$ 32,010</u>	<u>\$ 1,972,010</u>
Total Bonds	<u>\$ 3,805,000</u>	<u>\$ 87,960</u>	<u>\$ 3,892,960</u>

Interest paid on general debt during the 2020-21 year was \$142,507.50.

The District has entered into various lease agreements as lessee for financing the acquisition of an elementary building, a high school building, copiers, and equipment. The lease agreements qualify as a capital leases for accounting purposes since title transfers at the end of the lease terms and they have been recorded at the present value of the future minimum lease payments. The leases contain a clause which gives the District the ability to terminate the lease agreements at the end of each fiscal year.

As noted in Note 1 to the financial statements, the District does not record fixed assets in the financial statements. Consistent with this, the District has not recorded the above assets as assets in the General fixed assets account group. The District has recorded the liability for future lease payments in the general long-term debt account group for the above leases. The schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, is as follows:

<u>Year Ending</u>	<u>Copiers</u>	<u>Educational Facility</u>	<u>High School Building</u>	<u>Total</u>
2022	\$ 16,884	\$ 386,100	\$ 1,529,250	\$ 1,932,234
2023	16,884	425,700	1,529,250	1,971,834
2024	16,884	465,300	1,529,250	2,011,434
2025	2,814	504,900	1,529,250	2,036,964
2026	0	544,500	1,529,250	2,073,750
	0	2,073,750	0	2,073,750
	0	2,075,250	0	2,075,250
Total Minimum Lease Payments	\$ 53,466	\$ 6,475,500	\$ 7,646,250	\$ 14,175,216
Less: Amounts Representing Interest	(3,682)	(1,145,500)	0	(1,149,182)
Present Value of Future Minimum Lease Payments \$	<u>49,784</u>	<u>\$ 5,330,000</u>	<u>\$ 7,646,250</u>	<u>\$ 13,026,034</u>

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 3 - General Long-Term Debt (continued)

Compensated Absences

The District will pay \$25 per hour for unused sick leave of an employee who retires or terminated employment up to a maximum of 150 hours. The liability for compensated absences as of June 30, 2021 is \$131,040.

Note 4 - Employee Retirement System

Plan Description - The District participates in the state-administered Oklahoma Teachers' Retirement System (the "System") which is a cost-sharing multiple-employer defined benefit Public Employee Retirement System (PERS). The administration, benefits, and funding of the System are governed by Article XVII, Section 70 of the Oklahoma Statutes. The System is administered by a board of trustees which acts as a fiduciary for investing the funds and governing the administration of the System. PERS provides retirement, disability and death benefits to plan members and beneficiaries. The District has no responsibility or authority for the operation and administration of the System nor has it any liability, except for the current contribution requirements.

The System issues a publicly available financial report that includes financial statements and required supplementary information that can be obtained in writing at the Teachers' Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, Ok 73152 or by calling (405) 521-2387.

Funding Policy - Under the System, contributions are made by the District, the State of Oklahoma, and the participating employees. Participation is required for all teachers and other certified employees and is optional for all other regular employees of public education institutions who work at least 20 hours per week.

The contribution rates for the District and its employees, which are not actuarially determined, are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The District is required by statute to contribute 9.50% applicable compensation for the year ended June 30, 2021. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. The required contribution for participating members is 7%.

The District's contributions to the System for the years ending June 30, 2021, 2020, and 2019 were \$673,136, \$653,606, \$624,698, respectively.

The compensation for employees covered by the System for the year ended June 30, 2021 was \$6,987,823; the District's total compensation was \$7,942,397. In addition to the District's 9.50% contributions, the District was required to pay into the System 7.70% of compensation arising from federal grants \$85,359.91. There were \$426,589 contributions made by employees during the year ended June 30, 2021.

Note 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.

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 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 official's liability. The District had the following insurance coverage during the year: Commercial property - \$57,715,261 general liability - \$1,000,000; and educator's liability \$1,000,000. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

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

Note 7 - Use of Estimates

The preparation of financial statements in conformity with the regulatory basis of accounting requires the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 8 – Surety Bonds

The Superintendent is bonded by RLI Insurance company bond #LSM0373835 for the penal sum of \$100,000 for the term July 1, 2020 to July 1, 2021.

The Treasurer is bonded by RLI Insurance company bond #LSM0400624 for the penal sum of \$100,000 for the term July 17, 2020 to July 17, 2021.

The Activity Account Clerk/Encumbrance Clerk are bonded by RLI Insurance Company bond #LSM 1154653 for the penal sum of \$100,000 for the period July 1, 2020 to July 1, 2021.

The Finance Director, Payroll Clerk/Minutes Clerk are bonded by RLI Insurance Company bond #LSM0987134 for the penal sum of \$100,000 for the period July 1, 2020 to July 1, 2021.

Note 9 – 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 has determined that no additional information needs to be added to the financial statements.

OTHER INFORMATION

Crooked Oak School District No. I-53, Oklahoma County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Special Revenue Funds
June 30, 2021

	Building Fund	Child Nutrition Fund	Total June 30, 2021
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 698,016	\$ 274,977	\$ 972,993
Investments	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$ 698,016</u>	<u>\$ 274,977</u>	<u>\$ 972,993</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Warrants Payable	\$ 25,000	\$ 27,841	\$ 52,841
Reserve for Encumbrances	<u>0</u>	<u>8,163</u>	<u>8,163</u>
<i>Total Liabilities</i>	<u>\$ 25,000</u>	<u>\$ 36,004</u>	<u>\$ 61,004</u>
Fund Balances:			
Restricted	<u>\$ 673,016</u>	<u>\$ 238,973</u>	<u>\$ 911,989</u>
<i>Total Fund Balances</i>	<u>\$ 673,016</u>	<u>\$ 238,973</u>	<u>\$ 911,989</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 698,016</u>	<u>\$ 274,977</u>	<u>\$ 972,993</u>

Crooked Oak School District No. I-53, Oklahoma County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - Special Revenue Funds
For the Year Ended June 30, 2021

	Building Fund	Child Nutrition Fund	Total June 30, 2021
Revenue Collected:			
Local Sources	\$ 305,185	\$ 8,486	\$ 313,671
Intermediate Sources	6,285	0	6,285
State Sources	0	83,760	83,760
Federal Sources	0	469,064	469,064
Non-Revenue Receipts	0	229	229
<i>Total Revenue Collected</i>	<u>\$ 311,470</u>	<u>\$ 561,539</u>	<u>\$ 873,009</u>
Expenditures Paid:			
Instruction	\$ 0	\$ 0	\$ 0
Support Services	51,396	0	51,396
Operation of Non-Instructional Services	0	550,414	550,414
Facilities Acquisition and Construction	16,658	0	16,658
Other Outlays	0	229	229
Other Uses	0	0	0
Repayments	0	0	0
Interest Paid and Bank Charges	0	0	0
<i>Total Expenditures Paid</i>	<u>\$ 68,054</u>	<u>\$ 550,643</u>	<u>\$ 618,697</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ 243,416</u>	<u>\$ 10,896</u>	<u>\$ 254,312</u>
Adjustments to Prior Year Encumbrances	<u>\$ 0</u>	<u>\$ 20,093</u>	<u>\$ 20,093</u>
Other Financing Sources (Uses):			
Estopped Warrants	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0
Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<u>\$ 243,416</u>	<u>\$ 30,989</u>	<u>\$ 274,405</u>
<i>Fund Balance - Beginning of Year</i>	<u>429,600</u>	<u>207,984</u>	<u>637,584</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 673,016</u></u>	<u><u>\$ 238,973</u></u>	<u><u>\$ 911,989</u></u>

Crooked Oak School District No. I-53, Oklahoma County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Budget and Actual - Regulatory Basis - Special Revenue Funds
For the Year Ended June 30, 2021

	Building Fund			Child Nutrition Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:						
Local Sources	\$ 288,485	\$ 288,485	\$ 305,185	\$ 4,900	\$ 4,900	\$ 8,486
Intermediate Sources	0	0	6,285	0	0	0
State Sources	0	0	0	73,900	73,900	83,760
Federal Sources	0	0	0	511,200	511,200	469,064
Non-Revenue Receipts	0	0	0	0	0	229
<i>Total Revenue Collected</i>	<u>\$ 288,485</u>	<u>\$ 288,485</u>	<u>\$ 311,470</u>	<u>\$ 590,000</u>	<u>\$ 590,000</u>	<u>\$ 561,539</u>
Expenditures Paid:						
Instruction	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Support Services	718,084	718,084	51,396	0	0	0
Operation of Non-Instructional Services	0	0	0	799,384	799,384	550,414
Facilities Acquisition and Construction	0	0	16,658	0	0	0
Other Outlays	0	0	0	0	0	229
Other Uses	0	0	0	0	0	0
Repayments	0	0	0	0	0	0
Interest Paid	0	0	0	0	0	0
<i>Total Expenditures Paid</i>	<u>\$ 718,084</u>	<u>\$ 718,084</u>	<u>\$ 68,054</u>	<u>\$ 799,384</u>	<u>\$ 799,384</u>	<u>\$ 550,643</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ (429,600)</u>	<u>\$ (429,600)</u>	<u>\$ 243,416</u>	<u>\$ (209,384)</u>	<u>\$ (209,384)</u>	<u>\$ 10,896</u>
Adjustments to Prior Year Encumbrances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,093</u>
Other Financing Sources (Uses):						
Estopped Warrants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	1,400	1,400	0
Transfers Out	0	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,400</u>	<u>\$ 1,400</u>	<u>\$ 0</u>
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<u>\$ (429,600)</u>	<u>\$ (429,600)</u>	<u>\$ 243,416</u>	<u>\$ (207,984)</u>	<u>\$ (207,984)</u>	<u>\$ 30,989</u>
<i>Fund Balance - Beginning of Year</i>	<u>429,600</u>	<u>429,600</u>	<u>429,600</u>	<u>207,984</u>	<u>207,984</u>	<u>207,984</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 673,016</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 238,973</u></u>

Crooked Oak School District No. I-53, Oklahoma County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Equity
Regulatory Basis - Activity Fund
June 30, 2021

<u>ASSETS</u>	<u>School Activity Fund</u>
Cash	\$ 116,934
Investments	<u>0</u>
<i>Total Assets</i>	<u>\$ 116,934</u>
<u>LIABILITIES AND FUND EQUITY</u>	
Liabilities:	
Due To Activity Groups	\$ <u>116,934</u>
<i>Total Liabilities</i>	\$ <u>116,934</u>
Fund Equity:	
Unassigned	\$ <u>0</u>
 <i>Total Liabilities and Fund Equity</i>	 <u>\$ 116,934</u>

Crooked Oak School District No. I-53, Oklahoma County, Oklahoma
Combining Statement of Changes in Assets and Liabilities
Regulatory Basis - Activity Fund
For the Year Ended June 30, 2021

ACTIVITIES	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Athletic	\$ 13,958	\$ 36,590	\$ 40,534	\$ 10,013
Band	5,812	0	1,823	3,989
Scholarship Fund	785	0	0	785
Softball	9	0	0	9
Elementary	31,824	50,674	46,589	35,909
General	7,660	5,429	5,590	7,499
MS General	3,626	84	2,132	1,578
MS Honor Society	467	0	0	467
Crooked Oak Library	3,883	699	870	3,712
MS Cheerleaders	1,643	1,171	1,824	990
MS Student Council	967	0	290	677
Green House Project	5,000	0	0	5,000
HS General	1,547	671	1,411	807
HS Honor Society	197	0	0	197
Business Professional Assoc	2,477	0	0	2,477
HS Cheerleaders	6,031	2,917	3,896	5,053
Newspaper/Computer	435	0	0	435
Special Olympics	2,720	0	2,720	0
Yearbook	1	3,240	3,242	0
Coca Cola Fund	488	23	0	511
Central Oak Library	1,877	624	874	1,628
Football	93	5,000	4,994	99
Boys Basketball	158	0	0	158
BB Booster Tip-Off Club	83	0	0	83
HS Stuco	180	790	884	86
Alumni Scholarship Fund	1,336	0	0	1,336
Girl's Basketball	719	0	0	719
Field Renovation	50	0	0	50
Vice Family Scholarshp Fund	5,861	8,100	3,500	10,461
AFROTC	11,944	18,342	23,094	7,192
MS Boys & Girls Basketball	1,087	0	0	1,087
Leo Thurman Filed House	234,391	53,903	288,294	0
Special Education Activities	1,211	12,196	6,590	6,817
Drama	1,000	100	0	1,100
Soccer	1,861	7,577	6,843	2,596
Class of 2021	815	10,428	11,028	215
MS/HS Art Fund	238	0	0	238
Junior Class	2,838	333	2,596	575
HS Spanish Club	1,362	0	0	1,362
COPS Alumni	1,023	0	0	1,023
Total Activities	\$ 357,657	\$ 218,893	\$ 459,616	\$ 116,934

CROOKED OAK INDEPENDENT SCHOOL DISTRICT NO. 53 OKLAHOMA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA#	Pass- Through Grantor's Project Number	Deferred Revenue (Accounts Receivable) July 1, 2020	Federal Grant Receipts	Federal Grant Expenditures	Deferred Revenue (Accounts Receivable) June 30, 2021	Indirect Costs Included In Federal Grant Expenditures
U.S. Department of Defense							
Direct Programs:							
ROTC	12.357	770	151,600	61,128	54,503	158,225	0
Total U.S. Department of Defense			151,600	61,128	54,503	158,225	0
U.S. Department of Education							
Direct Programs:							
Title VII-Indian Education (Note 4)	84.060A	561	2,006	10,502	11,505	1,003	0
Passed Through Oklahoma State Department of Education:							
Title I, Basic	84.010	511/541/552	(145,575)	600,799	633,893	(178,669)	16,000
Title I			(145,575)	600,799	633,893	(178,669)	16,000
IDEA-B Flowthrough	84.027	621	(56,295)	260,244	263,852	(59,903)	0
Discretionary PL 101-476 IDEA	84.027	613	0	300	300	0	0
Project Echo	84.027	615	0	2,477	3,836	(1,359)	0
IDEA-B COVID-19 Assistance	84.027	617	0	0	4,114	(4,114)	0
IDEA-B Preschool	84.173	641	(137)	2,967	4,952	(2,122)	0
Special Education Cluster			(56,432)	265,988	277,054	(67,498)	0
Title III, Part A-Language Inst	84.365	572	-	34,180	35,504	(1,324)	0
21st Century	84.287	553	(79,571)	258,573	362,579	(183,576)	9,154
COVID-19 ESSERF/CARES Act	84.425D	788	(42,649)	212,223	346,773	(177,199)	4,000
COVID-19 ESSER II Formula Fund	84.425D	793	0	234,501	234,501	0	5,000
COVID-19 ESSER FUNDS			(42,649)	446,724	581,274	(177,199)	9,000
Total U.S. Department of Education			(322,221)	1,616,766	1,901,809	(607,264)	34,154
U.S. Department of Agriculture							
Passed Through State Department of Education:							
Breakfast Program	10.553	764	183,914	9,896	0	193,810	0
Lunch Program	10.555	763	356,957	10,640	0	367,597	0
Commodities Distributed-Lunch (Note 3)	10.555	N/A	0	38,563	38,563	0	0
Summer Food Program	10.559	766	(9,088)	426,869	401,710	16,071	0
Fresh Fruit/Vegetables	10.582	768	(1,557)	21,661	20,104	0	0
CNP Equipment Assistance Grant	10.579	791	11,922	0	0	11,922	0
Child Nutrition Cluster			542,148	507,629	460,377	589,400	0
Total U.S. Department of Agriculture			542,148	507,629	460,377	589,400	0
TOTAL FEDERAL ASSISTANCE			371,527	2,185,522	2,416,689	140,360	34,154

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Note 1 – Basis of Presentation – The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2021. 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). Because the Schedule presents only a selected portion of the operations of the School, it is not intended and does not present the financial position, changes in net position or cash flows of the School.

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

Note 3 – Food Distribution – Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

Note 4 – Title VII-Indian Education – The beginning receivable/payable amount has been adjusted from \$2,936 to \$2,006, a difference of \$930. This was done so the ending receivable would agree to the actual amount the school received.

**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
Crooked Oak School District No. I-053
Oklahoma County, Oklahoma

Board Members:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements-regulatory basis, within the combined financial statements of Crooked Oak School District No. I-053, Oklahoma County, 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 financial statements and have issued our report thereon dated November 1, 2021. The report on these financial statements was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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 Crooked Oak School District No. I-053, Oklahoma County, Oklahoma'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 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in

internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (2021-001 through 2021-007).

Compliance and Other Matters

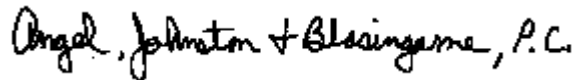
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma's, Response to Findings

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma's response to the findings identified in our audit are described in the attached corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Chickasha, Oklahoma
November 1, 2021

**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
Crooked Oak School District No. I-053
Oklahoma County, Oklahoma

Board Members:

Report on Compliance for Each Major Federal Program

We have audited Crooked Oak School District No. I-053, Oklahoma County, 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 the District's 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 Crooked Oak School District No. I-053, Oklahoma County, Oklahoma's, major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and 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, Crooked Oak School District No. I-053, Oklahoma County, 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.

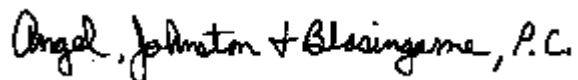
Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.



Chickasha, Oklahoma
November 1, 2021

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Schedule of Findings and Questioned Cost
For the Year Ended June 30, 2021

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of Auditor's Report Issued: Adverse opinion on the combined financial statements-regulatory basis 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.

Internal Control Over Financial Reporting:

Material Weakness(es) identified? ☐ Yes ☒ No

Significant Deficiencies identified not considered to be material weaknesses? ☒ Yes ☐ No

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards:

Type of auditor's report issued on compliance for major programs: Unmodified in conformity with regulatory basis of accounting.

Internal Control Over Major Programs:

Material Weakness(es) identified? ☐ Yes ☒ No

Significant Deficiencies identified not considered to be material weaknesses? ☐ Yes ☒ No

Audit Findings disclosed that are required to be reported in accordance with the Uniform Guidance, Section 200.516(a)? ☐ Yes ☒ No

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee Qualified as low-risk auditee under Uniform Guidance? ☐ Yes ☒ No

Identification of Major Programs:

CFDA#

84.010	Title I
84.425D	Covid-19 ESSERF/Cares Act
84,425D	Covid-19 ESSER II Formula Fund

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Schedule of Findings and Questioned Cost
For the Year Ended June 30, 2021
(Continued)

Findings-Financial Statement Audit

2021-001 – Statement of Condition - The school received a \$20,000 LOVE's grant during the year. This was a grant received from a local corporation. The school had coded the expenditures to a federal program code.

Criteria – The school should only use the federal project codes as provided by the Oklahoma Cost Accounting System (OCAS) for federal revenues received and federal expenditures. They should not use these codes to track any local or state grants received.

Cause/Effect of Condition - The school thought the project code (792) was an available code to use for the tracking of these local grant expenditures. They were unaware that this code was for a designated federal program. By coding the expenditure to a federal program code when not actually a federal expenditure causes the school's total federal expenditures to be overstated by \$20,000.

Recommendation - The school contacted the State Dept. of Education and the SDE corrected the school's OCAS data as well as correcting the school's Federal Determination Letter.

2021-002 – Statement of Condition - During our testing of expenditures, we noted several instances where there were purchase orders exceeding \$25,000 that the district had not collected non-kickback affidavits.

Criteria – Per Oklahoma Statute 62 O.S. §310.9 requires a signed and notarized non-kickback affidavit on every purchase order of \$25,000 or more.

Cause/Effect of Condition - The district was unaware of the need for a non-kickback affidavit. The school could be exposed to potential kickbacks to employees.

Recommendation - The school district needs to require a notarized non-kickback affidavit attachment when a purchase order exceeds \$25,000 from the vendor.

2021-03 – Statement of Condition - During our testing of reserves (year-end encumbrances), we noted the district had recorded General Fund reserves of \$65,709.48 and Child Nutrition Fund reserves of \$7,977.59. Our testing of these reserves indicated the district was not obligated to expend these funds as of 6-30-21 and therefore should have been closed as of year end.

Criteria – According to OAC 210:25-5-2 (b), "At the close of the fiscal year, appropriations will be reserved for any contracts pending for outstanding encumbrances (contracted for but not completed and/or paid for) by providing to the treasurer, the auditor, and the local school board..."

Cause/Effect of Condition - The district failed to review the outstanding encumbrances as of 6-30-21 and therefore did not close out the purchase orders. The school district's General Fund expenditures were overstated by \$65,709.48 and Child Nutrition Fund expenditures were overstated by \$7,977.59. Therefore, the school district's fund balance is understated by \$65,709.48 in the General Fund and \$7,977.59 in the Child Nutrition Fund. This amount is not material to the financial statements.

Recommendation - The district should review all encumbrances at year-end to determine if they are current obligations of the district and should be reserved.

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Schedule of Findings and Questioned Cost
For the Year Ended June 30, 2021
(Continued)

2021-004 – Statement of Condition - During our review of our cash confirmation we noted a bank account that was closed during the year that did not have approval in the board minutes.

Criteria – Authorization of the opening and closing of bank accounts is done by the districts school board.

Cause/Effect of Condition - The account was closed, but was not noted in the minutes as board approved. Without approval by the board, bank accounts may be opened or closed without the school boards knowledge.

Recommendation - We recommend that all accounts that are opened or closed be approved by the board and documented in the minutes.

2021-005 – Statement of Condition - During our testing of Payroll, we noticed an employee that did not have a signed and approved contract.

Criteria – Oklahoma State Statute §70-5-123, “No expenditure involving an amount greater than Five Hundred Dollars (\$500) shall be made by a board of education except in accordance with the provisions of a written contract or purchase order.”

Cause/Effect of Condition - This was an oversight. This oversight increases risk that employees could be paid more or less than the board/management intended.

Recommendation - The District should update and properly execute an employment contract each year.

2021-006 – Statement of Condition - During our testing of payroll, we noted that employees were being paid from funds that were not reserved for the 2020-2021 year. The twelve-month employees were paid in July 2021 for work performed in June 2021.

Criteria – Employees should be paid from the fiscal year appropriations in which the work was performed. Funds should be reserved from the appropriate budget year.

Cause/Effect of Condition - The District did not know how to create reserves in the software. The pay for these employees was paid from the wrong fiscal year appropriations which caused June 30, 2021 fund balance to be overstated. The overstatement was not material to the financial statements.

Recommendation - We recommend that expenditures which are obligated in the previous year be reserved and paid accordingly from that year’s appropriations.

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Schedule of Findings and Questioned Cost
For the Year Ended June 30, 2021
(Continued)

2021-007 – Statement of Condition - During our review of the Activity Fund Cash Reconciliation, we noted the cash balance per the bank statement and the cash balance per the Custodian's Summary of Revenues and Expenditures did not reconcile. It was out of balance by \$4.21. The custodian's summary also did not agree to the OCAS information reported to the State Department of Education.

Criteria. The Activity Fund Custodian, as part of their job duties, is required to reconcile, on a monthly basis, the cash balance per the bank and the balance of the Activity fund subaccounts per the Custodian's Summary of Revenues and Expenditures.

Cause/Effect of Condition - The Activity Fund Custodian used the wrong reports when attempting to reconcile. Inaccurate financial statements could result if the reconciliation is not balanced each month. The school also must have changed their coding after their last OCAS data was submitted. This would cause the custodians summary to be different from the OCAS data submitted to the State Department of Education.

Recommendation -The Activity Fund Custodian should reconcile, on a monthly basis, the cash balance per the bank and the balance of the Activity fund subaccounts per the Custodian's Summary of Revenues and Expenditures.

Findings and Questioned Costs – Major Federal Award Programs Audit

(None)

Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021

2020-001 – Statement of Condition - During our testing of payroll, we noted that employees were being paid from funds that were not reserved for the 2019-2020 year. The twelve-month employees were paid on July 14, 2020 for work performed in June 2020.

Criteria - Employees should be paid from the fiscal year appropriations in which the work was performed. Funds should be reserved from the appropriate budget year.

Cause/Effect of Condition – The District did not know how to create reserves in the software. The pay for these employees was paid from the wrong fiscal year appropriations which caused June 30, 2020 fund balance to be overstated. The overstatement was not material to the financial statements.

Recommendation – We recommend that expenditures which are obligated in the previous year be reserved and paid from that year's appropriations.

Current Status – We noted this again for the 2020-2021 audit.

2020-002 – Statement of Condition - During our testing of payroll, it was noted that a paraprofessional was overpaid \$1,957.

Criteria – The school district shall not authorize the pay for any wages in excess of the approved contract amount.

Cause/Effect of Condition – This was due to management oversight. This led to the overpayment of wages.

Recommendation – We recommend that employees not be paid in excess of their contract amount.

Current Status – This was not noted during the 2020-2021 audit.

2020-003 – Statement of Condition - The District paid teacher retirement on \$20,980.26 paid as a lump sum due to a resignation of an employee.

Criteria – Oklahoma Teachers Retirement System Employer Manual defines ineligible compensation as payment made for termination of retirement including a contract buy-out.

Cause/Effect of Condition – The District was not aware that this buy-out was not considered eligible compensation. Teachers retirement was overpaid.

Recommendation – The District should not pay teacher retirement on lumps sum payments for retirement incentive.

Current Status – This was not noted during the 2020-2021 audit.

2020-004 – Statement of Condition - Overtime was not paid for some non-exempt employees on hours worked over 40 in a work week.

Criteria – The Fair Labor Standards Act requires accurate time records be maintained by all non-exempt employees. Employees should be paid 1 ½ their regular rate of pay anytime they work over 40 hours/work week

Cause/Effect of Condition – The hourly rate was set by the Federal Program. The District was using the set rate and did not calculate overtime. Employee was underpaid.

Recommendation – Overtime should be paid for all non-exempt employees that work over 40 hours in a week.

Current Status – This was not noted during the 2020-2021 audit.

2020-005 – Statement of Condition - During our review of the Activity Fund Cash Reconciliation, we noted the cash balance per the bank statement and the cash balance per the Custodians Summary of Revenues and Expenditures were out of balance by \$530.53

Criteria – The Activity Fund Custodian, as part of their job duties, is required to reconcile, on a monthly basis, the cash balance per the bank and the balance of the Activity fund subaccounts per the Custodian's Summary of Revenues and Expenditures.

Cause/Effect of Condition – The Activity Fund Custodian is aware of the difference and is trying to find the reconciling differences. Inaccurate financial statements could result if the reconciliation is not balanced each month.

Recommendation – The Activity Fund Custodian should reconcile, on a monthly basis, the cash balance per the bank and the balance of the Activity fund subaccounts per the Custodian's Summary of Revenues and Expenditures

Current Status – This was noted again during the 2020-2021 audit.

OTHER OKLAHOMA DEPARTMENT OF EDUCATION REQUIRED INFORMATION

**Crooked Oak School District No. I-053, Oklahoma County, Oklahoma
Schedule of Accountant's Professional Liability Insurance Affidavit
For the Year Ended June 30, 2021**

STATE OF OKLAHOMA)
)ss
COUNTY OF GRADY)

The undersigned auditing firm of lawful age, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with *Crooked Oak School District No. I-053, Oklahoma County, Oklahoma*, for the audit year 2020-21.

ANGEL, JOHNSTON, & BLASINGAME, P.C.

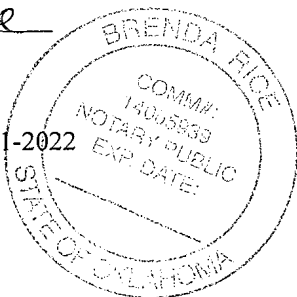
Daniel Johnston

by _____

Subscribed and sworn to before me this 2 day of November, 2021.

Brenda Rice
Notary Public

My Commission Expires 07-01-2022



SCHOOL'S CORRECTIVE ACTION PLAN



CROOKED OAK

S C H O O L S

CROOKED OAK PUBLIC SCHOOL DISTRICT
OKLAHOMA COUNTY

AUDIT FINDINGS CORRECTIVE ACTION PLAN

AUDIT YEAR 2020-2021

AUDIT FINDING REFERENCE NUMBER: 2021-001

DESCRIPTION OF FINDING: The school received a \$20,000 LOVE's grant during the year. This was a grant received from a local corporation. The school had coded the expenditures to a federal program code.

CONTACT PERSON: April Dwyer

STEPS IMPLEMENTED: Staff is now aware 700 project codes are only for federal grants. The SDE was contacted, coding changed, OCAS corrected, and everything was adjusted for FY21 federal determination letter.

COMPLETION DATE: 11/1/2021

AUDIT FINDING REFERENCE NUMBER: 2021-002

DESCRIPTION OF FINDING: During our testing of expenditures, we noted several instances where there were purchase orders exceeding \$25,000 that the district had not collected non-kickback affidavits.

CONTACT PERSON: April Dwyer

STEPS IMPLEMENTED: OCAS staff contacted to discuss which form to use as one could not be located on OSDE website. Missing kickback affidavits were collected. In the future the encumbrance clerk will watch purchase orders to any vendor that may roll over the \$25,000.00 threshold to collect the needed affidavit. A file will be maintained at the administration office.

COMPLETION DATE: 11/1/2021

AUDIT FINDING REFERENCE NUMBER: 2021-003

DESCRIPTION OF FINDING: During our testing of reserves (year-end encumbrances), we noted the district had recorded General Fund reserves of \$65,709.48 and Child Nutrition Fund reserves of \$7,977.59. Our testing of these reserves indicated the district was not obligated to expend these funds as of 6-30-21 and therefore should have been closed as of year end.

CONTACT PERSON: April Dwyer

STEPS IMPLEMENTED: Staff reviews outstanding encumbrances but will ensure vendors are sending in invoices in a timely manner. Vendors that are regularly not sending invoices in a timely manner have been notified in writing of our fiscal year and invoicing requirements. All unused purchase orders will be closed out if there is no pending contract. FY21 had pending contracts due to material shortages but those services have since been completed and invoices paid.

COMPLETION DATE: 11/1/2021

BRAD RICHARDS, SUPERINTENDENT

HIGH SCHOOL
LAURA KNIGHT, PRINCIPAL
405.677.3452

MIDDLE SCHOOL
CHACE MCCASKILL, PRINCIPAL
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STEFANIE STROUD, DIRECTOR OF SPECIAL SERVICES
THAD CUNNINGHAM, ATHLETIC DIRECTOR
KYLE PIERCE, DIRECTOR OF TECHNOLOGY
JOHN TULAK, DIRECTOR OF HUMAN RESOURCES

CENTRAL OAK ELEMENTARY
KIM TEMPLEMAN, PRINCIPAL
405.677.5211

APRIL DWYER
ENCUMBRANCE CLERK
405.677.5252, EXT. 110



CROOKED OAK

S C H O O L S

CROOKED OAK PUBLIC SCHOOL DISTRICT
OKLAHOMA COUNTY

AUDIT FINDINGS
CORRECTIVE ACTION PLAN continued...

AUDIT YEAR 2020-2021

AUDIT FINDING REFERENCE NUMBER: 2021-004

DESCRIPTION OF FINDING: During our review of our cash confirmation we noted a bank account that was closed during the year that did not have approval in the board minutes

CONTACT PERSON: Tammy Thele

STEPS IMPLEMENTED: All accounts that are opened or closed will be approved by the board and documented in the minutes.

COMPLETION DATE: 11/1/2021

AUDIT FINDING REFERENCE NUMBER: 2021-005

DESCRIPTION OF FINDING: During our testing of Payroll, we noticed an employee that did not have a signed and approved contract.

CONTACT PERSON: John Tulak

STEPS IMPLEMENTED: The district will update and properly execute an employment contract each year. While a contract was executed it was unable to be located. In the future we will image all contracts before filing.

COMPLETION DATE: 11/1/2021

AUDIT FINDING REFERENCE NUMBER: 2021-006

DESCRIPTION OF FINDING: During our testing of payroll, we noted that employees were being paid from funds that were not reserved for the 2020-2021 year. The twelve-month employees were paid in July 2021 for work performed in June 2021.

CONTACT PERSON: John Tulak

STEPS IMPLEMENTED: Our payroll manager is going to attempt to do a special payroll to fix the issue. The district has attempted to have our financial accounting software to "reserve funds" for June payroll and have been unsuccessful after speaking with software staff and other school districts. We may have to move our pay date to inside the month of June, but it will appear we have overpaid contracts. This may be the only way to stop the issue from continuing to occur for subsequent years if the special payroll is not successful at fixing the issue.

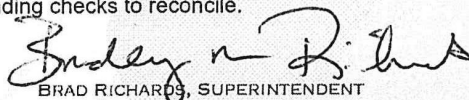
COMPLETION DATE: 11/1/2021

AUDIT FINDING REFERENCE NUMBER: 2021-007

DESCRIPTION OF FINDING: During our review of the Activity Fund Cash Reconciliation, we noted the cash balance per the bank statement and the cash balance per the Custodian's Summary of Revenues and Expenditures did not reconcile. It was out of balance by \$4.21. The custodian's summary also did not agree to the OCAS information reported to the State Department of Education. CONTACT PERSON: John Tulak

STEPS IMPLEMENTED: The district has closed all outstanding checks and reconciled the accounts and going forward will use just the current year and prior fiscal years outstanding checks to reconcile.

COMPLETION DATE: 11/1/2021


BRAD RICHARDS, SUPERINTENDENT

11.1.2021

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