

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Financial Statements  
For the Year Ended June 30, 2021

**EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
OKLAHOMA COUNTY, OKLAHOMA  
SCHOOL DISTRICT OFFICIALS  
JUNE 30, 2021**

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Member	Cynthia Benson
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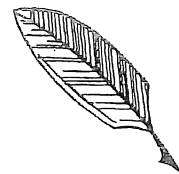
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## Independent Auditor's Report

The Honorable Board of Education  
Edmond Independent School District No. 12  
Oklahoma County, Oklahoma

### Report on Financial Statements

I have audited the accompanying financial statements – regulatory basis of the governmental activities, each major fund and the aggregate remaining fund information of the Edmond Independent School District No. 12, 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 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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

As discussed in Note 1 to the financial statements, the financial statements are prepared by the Edmond Independent School District No. 12, 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 comply with 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 my 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 first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Edmond Independent School District No. 12, Oklahoma County, Oklahoma as of June 30, 2021, or the revenues, expenses, and changes in financial position for the year then ended.

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

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position on a regulatory basis of the governmental activities, each major fund, and the aggregate remaining fund information of Edmond Independent School District No. 12, Oklahoma County, Oklahoma, as of June 30, 2021, and the respective changes in regulatory basis financial position thereof and for the year ended in accordance with the regulatory basis of accounting described in the Note 1.

### **Other Matters**

The management discussion and analysis and budgetary comparison schedules on pages 38 and 39 are presented to supplement the basic financial statements. I have applied certain limited procedures to this information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

My audit was conducted for the purpose of forming opinions on the fund type and account group financial statements within the basic financial statements. The other schedules listed in the table of contents, under supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the District. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining financial statements-regulatory basis, and other schedules as listed in the table of contents, under other supplementary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting 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 other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information including the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole on the regulatory basis of accounting described in Note 1 to the financial statements.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated February 1, 2022, on my consideration of Edmond Independent School District No. 12, Oklahoma County, Oklahoma's, internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.



Kerry John Patten, C.P.A.  
Broken Arrow, Oklahoma  
February 1, 2022

**EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12**  
**Management's Discussion and Analysis**  
**June 30, 2021 (Unaudited)**

This section of Edmond Public Schools Independent School District No. 12's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the District's financial statements, which immediately follow this section.

**VIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts -- management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund regulatory financial statements* that focus on *individual parts* of the District, reporting the District's operations in more detail than the district-wide statements.
- The *governmental funds* statements tell how *basic* services like regular and special education were financed in the *short term* as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed *data*. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

The financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma Department of Education as more fully described in Note 1 to the financial statements.

Figure A-1 summarizes the major features of the District's financial statements. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12**  
**Management's Discussion and Analysis**  
**June 30, 2021 (Unaudited)**

**Figure A-1**  
**Major Features of District-Wide and Fund Financial Statements**

	<u>District-wide Statements</u>	<u>Fund Financial Statements</u> <u>Governmental Funds</u>
<b>Scope</b>	Entire district (except endowment funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance
<b>Required financial statements</b>	1) Statement of net position-regulatory basis 2) Statement of activities-regulatory basis	1) Balance sheet-regulatory basis 2) Statement of revenues, expenditures, and changes in fund balances-regulatory basis
<b>Accounting basis and measurement focus</b>	Regulatory basis as described above	Regulatory basis as described above
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

### **District-wide Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the District's capital assets and long-term liabilities.

The two district-wide statements report the District's net position. Net position - the difference between the District's assets and liabilities - is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are categorized as governmental activities.

*Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

## EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12

### Management's Discussion and Analysis

June 30, 2021 (Unaudited)

#### Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues.

Most of the District's basic services are included in *governmental funds*, which generally focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explain the relationship (or differences) between them.

#### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Table A-2**  
**Edmond Public Schools**  
**Net Position**  
(in millions of dollars)

	2019	2020	2021
Current and other assets	\$197.7	\$196.4	\$225.0
Capital assets	454.8	491.4	513.9
<b>Total assets</b>	<b>\$652.5</b>	<b>\$687.8</b>	<b>\$738.9</b>
Long-term obligations	\$169.5	\$170.6	\$194.7
Other liabilities	23.3	27.1	24.4
<b>Total liabilities</b>	<b>\$192.8</b>	<b>\$197.7</b>	<b>\$219.1</b>
Net position:			
Invested in capital assets, net of debt	\$366.1	\$395.7	\$420.0
Restricted	46.5	48.2	53.8
Unrestricted	47.1	46.2	46.0
<b>Total net position</b>	<b>\$459.7</b>	<b>\$490.1</b>	<b>\$519.8</b>



**EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12**  
**Management's Discussion and Analysis**  
**June 30, 2021 (Unaudited)**

**Net Position**

The major contributor to the change in net position was the acquisition of new capital assets, primarily the construction of new facilities.

**Table A-3**  
**Edmond Public Schools**  
**Changes in Net Position**  
*(in millions of dollars)*

	<b>2019</b>	<b>2020</b>	<b>2021</b>
Revenues			
Program revenues			
Charges for services	\$21.9	\$12.4	\$6.8
Federal and State grants	15.4	15.2	18.3
General revenues			
Property taxes	133.8	138.3	144.9
Other taxes	20.3	18.3	22.3
Federal entitlement	--	--	--
State entitlement	55.9	64.0	54.7
Other general revenues	4.3	3.8	3.4
Total revenues	\$251.6	\$252.0	\$250.4
Expenses			
Program expenses			
Instruction	\$111.4	\$115.9	\$118.4
Support services	71.5	74.7	72.4
Non-instruction	12.9	11.9	10.5
Interest on long-term debt	3.6	3.9	3.5
Depreciation-unallocated	14.6	15.2	15.9
Total expenses	\$214.0	\$221.6	\$220.7
<b>Increase in net position</b>	<b>\$37.6</b>	<b>\$30.4</b>	<b>\$29.7</b>
Beginning Net Position	422.1	459.7	490.1
Ending Net Position	\$459.7	\$490.1	\$519.8

**Changes in Net Position**

Revenues

In 2021 the District's overall revenues decreased \$1.6 million from the prior year (See Table A-3). The decrease in charges for services of \$5.6 million results from two primary areas:

**EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12**  
**Management's Discussion and Analysis**  
**June 30, 2021 (Unaudited)**

child nutrition (down \$3.3 million) and school activities (down \$2.3 million). This was to be expected because not only was in-person enrollment down by 5,574 students (22%), to effect better social distancing, the district employed an A-B classroom model with half of the students attending in person on Monday and Tuesday and the other half attending in person on Thursday and Friday. On the out-of-school days (including Wednesdays), students engaged in remote learning. This model was used until March 29, 2021, when we shifted to four days per week in-person for the remainder of the school year with Wednesdays remaining virtual prep days for teachers.

Additionally, paid lunches were down even further because the federal free lunch program extended to students who self-paid in the prior year. Student activity fund collections were down because collections from student clubs, merchandise sales, admissions and concessions were limited by COVID-19 protocols.

Federal and state grants were up \$3.1 million. The reasons for the increase are primarily the increase federal reimbursement for child nutrition of \$1.9 million and the receipt of Coronavirus Aid, Relief, and Economic Security ("CARES") Act and Elementary and Secondary School Emergency Relief ("ESSER") Fund collections of \$1.2 million.

Property taxes increased \$6.6 million because of a 4.3% increase in the taxable valuation in the district boundaries from \$2.097 billion to \$2.188 billion, offset by a slight decrease in the in the millage rate from 66.73 to 66.34. The millage rate varies from year to year because of the changing sinking fund levy as old bonds are retired and new bonds are added. When planning bond elections, the District strives to maintain the millage rates as level as possible within the range of 66.26 to 67.26 mills. Also, the delinquency rate improved from 3.37% in 2020 to 3.09% in 2021.

The increase in other taxes of \$4.0 million was attributed to motor vehicle taxes (\$2.9 million), mortgage taxes (\$429,000) and school land trust earnings (\$247,000). The motor vehicle increase was partly due to restoration of normal collections after a repayment in 2020 of \$2.25 million for misallocated funds in prior years. The balance of the increase as well as the increases in mortgage taxes and school land trust earnings were driven by increased economic activity.

State aid was down \$9.3 million due to a reduction in state appropriations, which produced a lower factor rate per weighted student. Although enrollment was down, that did not contribute directly to the decrease in funding because the state aid formula calculates funding based on the highest of the two previous years or the current year, which for Edmond, meant the calculation was based on the higher 2020 enrollment.

Other general revenues were down \$400,000. This was essentially the net of decreased interest earnings of \$2.5 million and increased premium and accrued interest on bond sales of \$2.0 million. Both swings resulted from the low interest rate environment during 2021.

#### Expenses

In 2021 the District's overall program expenses decreased \$900,000 from the prior year (See Table A-3).

**EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12**  
**Management's Discussion and Analysis**  
**June 30, 2021 (Unaudited)**

Instruction expenses increased \$2.5 million while support services decreased \$2.3 million. Non-instruction services showed a decrease from the prior year of \$1.4 million. Debt service costs decreased \$400,000, and depreciation increased \$700,000.

The increase in instructional program expense of \$2.5 million was the net of decreases in personnel expense (\$2.7 million), co-curricular supplies (\$259,000) and contracted instructional services (\$119,000) which were offset by increases in technology spending (\$3.8 million) and textbooks (\$1.9 million). With the drop in enrollment, staffing was trimmed, but remained at lower teacher to student ratios than a typical year. The remote learning days on the A-B schedule required additional technology investment, and a new adoption of science textbooks was purchased in 2021.

The decrease in expenditures for support services of \$2.3 million primarily consisted of the following decreases: building-related costs such as repair & maintenance, utilities, and security (\$1.2 million), student travel and extra-curriculars (\$975,000), technology supplies and services (\$858,000), staff professional development and travel (\$256,000). These decreases are primarily attributed to the operational model under COVID-19 protocols. The savings were somewhat offset by increases in property insurance of \$297,000, health supplies of \$322,000, and cleaning services of \$392,000. The increases in the health and cleaning supplies were related to COVID-19, and the increase in property insurance was a result of premium increases.

The decrease in non-instruction expenses of \$1.4 million from the prior year also resulted from the operational model and A-B schedule and primarily consisted of reductions in payroll cost of \$762,000, food and milk of \$947,000, and fundraiser expenses and philanthropy donations from student activity funds of \$332,000. Capitalized assets in excess of the current year capital outlays are represented as a \$757,000 increase in the non-instructional expense classification.

Interest costs decreased \$400,000 from the prior year due to the lower interest rates on bond debt acquired over the past five years.

Depreciation expense increased \$700,000 due to capital asset construction and acquisition.

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The financial performance of the District's funds are reflected in the balance sheet for governmental funds report on page 14. The District's balance sheet for all funds reflects a combined fund balance of \$150.3 million, an increase of \$30.2 million from the prior year. The overall increase is attributed to the following funds with increases: \$2.6 million in the debt service fund, \$2.5 million in the building fund, and \$25.9 million in the capital project funds (bond funds). These increases in fund balance were offset by the following funds which had decreases: \$288,000 in the general fund, \$370,000 in the activity fund, and \$147,000 in the gift fund.

### **General Fund Budgetary Highlights for 2021**

As the 2021 school year progressed, political and pandemic factors contributed to federal COVID funding that was approved through a series of congressional acts during 2020 and 2021. Following the CARES Act funding that began in 2020, Congress authorized additional funding

**EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12**  
**Management's Discussion and Analysis**  
**June 30, 2021 (Unaudited)**

under ESSER and American Rescue Plan ("ARP"). The majority of these funds were allocated to school districts based on poverty levels determined by Title I student counts. In Oklahoma this produced some wide discrepancies between districts in funding per student. In response to the inequity, the Oklahoma Superintendent of Public Instruction allocated some state set-aside ESSER funds to districts that were at the lowest levels of federal funding, which included Edmond. The State also awarded some of the federal money through competitive grants. Edmond was able to secure partial funding for additional counselors for three years through such a grant. Another funding award was made specifically for Individuals with Disabilities Education Act ("IDEA"). The EPS Foundation was also able to secure pass-through ESSER funding for the district through a City of Edmond Community Development Block Grant. Together all of these federal COVID funds total almost \$35 million for Edmond.

In the general fund, local revenue increased consistent with the increase in property valuations in the District. The delinquency rate on collections was 3.09% compared to a budget of 10%, which resulted in a favorable variance of \$4.1 million from the legal budget. Investment earnings were budgeted to decrease 60%, but the actual decline in interest rates caused a 65% reduction in earnings for a negative budget variance of \$197,000. Increased mortgage financing activity because of low interest rates helped to produce a positive variance of \$585,000 in mortgage taxes. The state aid factor rate was \$75.51 less per weighted student than budgeted due to a reduction in the state appropriation. This produced a \$3.8 million negative budget variance in state aid. There was also a negative budget variance in the flexible benefit allowance for health insurance of \$226,000 due to staffing reductions and shortages. The revenue from school land earnings exceeded the budget by \$413,000, and motor vehicle collections exceeded budget by \$556,000. Federal collections fell short of budget by \$140,000 due to the timing of claims and receipts. Reimbursements were short of budget by \$3.8 million due to the A-B school schedule and its effect on the collections in child nutrition and before/after care programs which were not able to fully reimburse the general fund for their payroll costs.

Employee wages and benefits continue to comprise the largest portion of the expenditure budget. Total 2021 payroll cost was \$166.4 million, 96.8% of the district's total general fund expenditures. This represents a decrease of \$2.8 million from the prior year. The decrease is attributable to the lower staffing required because of the enrollment decrease of 2,124 students and the higher student to teacher ratio for the 3,450 students who enrolled in the district's virtual program. General fund expenditures, excluding those expenses reimbursed by other programs, were 74.5% instruction and student services, 4.5% instructional support, 6.7% facilities operations, 6.2% school administration, 4.2% student transportation, 2.5% central services and 1.4% general administration.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

During 2021, the District completed \$38.0 million in construction projects, including the football stadium at Memorial High School, the new band room/storm shelter at Santa Fe High School, the classroom/storm shelter addition at North High School, the practice gym/storm shelter and additional science classrooms at Central Middle School, the new media center/storm shelter at Cimarron Middle School, upgrades to science rooms and corridors at Summit Middle School, the STEM/storm shelter addition at Cross Timbers Elementary, the cafeteria and multi-purpose room storm shelters at Will Rogers Elementary, parking and road improvements at John Ross Elementary, Memorial High School, and North High School, HVAC replacement at Angie Debo

**EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12**  
**Management's Discussion and Analysis**  
**June 30, 2021 (Unaudited)**

Elementary, roofing replacement at Cimarron Middle School, and flooring replacement at Cross Timbers Elementary.

On June 30, 2021, the District had bond funds available, including accumulated interest, of \$99.6 million, which will be spent on capital projects including completion of the tennis center in conjunction with the City of Edmond; completion of the District's 18<sup>th</sup> and 19<sup>th</sup> elementary schools (Redbud and Scissortail); additions of classrooms and gymnasiums which will dual purpose as storm shelters; site renovations; roofing and flooring projects; parking and road improvements; auditorium improvements at all three high schools; and instructional, technology and transportation equipment. Accumulated bond fund interest accounted for \$1.7 million of the bond funds available.

The tennis center opened October 2020 and Redbud Elementary opened August 2021.

**Long-term Debt**

At fiscal year end, the District had \$193.5 million in total long-term debt outstanding. This is a net increase of \$24.2 million from last year's amount of \$169.3 million. The District issued new bonds totaling \$72.0 million and retired \$47.8 million of outstanding bonds.

In May 2021, voters in the District approved the issuance of bonds totaling \$65 million, which was issued in two series. The issuance plan minimized fluctuations in patrons' taxes and also staggered construction requirements. The first installment in the amount of \$52.0 million was issued in June 2021, and the second installment of \$37 million was issued in August 2021.

Construction projects include a classroom addition at Santa Fe High School; an addition to Memorial's freshman academy and a renovation of the industrial arts building; a gym renovation at North High School; a media center addition at Cross Timbers Elementary; classroom additions at Redbud and Scissortail Elementary schools; and a new building for agricultural engineering and mechanics. The bond would also provide for renovations at Northern Hills, Sunset, Ida Freeman, Orvis Risner, Charles Haskell, Chisholm, Russell Dougherty, Will Rogers, and Clegern elementary schools as well as gym floor replacements at Chisholm, Ida Freeman, Cross Timbers, and John Ross elementary schools. Equipment projects include technology, transportation, school security, roofing, flooring, school instructional equipment, textbooks, HVAC replacement, classroom furnishings, child nutrition equipment, marquees and directional signage, and playground improvements.

Additionally, bond proceeds would provide parking and road additions and improvements at several schools and the purchase of land for future school sites and site expansion.

In the spring of 2022, the District will be asking voters to approve \$120 million in bonds to be issued in four installments. Proposed projects include land for new schools; additions to and renovations of numerous schools; construction of a new technology building; improvements to the district's transportation facility and warehouse; parking and road additions, renovations, and improvements; water fountain improvements; lighting upgrades; roofing, flooring and HVAC replacement; buses and transportation equipment; curriculum and classroom equipment; technology; security; and classroom furnishings.

**EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12**  
**Management's Discussion and Analysis**  
**June 30, 2021 (Unaudited)**

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

Although state appropriations for 2021 were cut in anticipation of an influx of federal pandemic funding, state appropriations for 2022 returned to pre-pandemic levels despite the infusion of federal COVID funding to schools. The state aid appropriation for 2022 restored the cuts made in 2021 and even resulted in a 1% increase over the 2020 appropriated amount. In addition to the state aid increase, additional funds were appropriated for textbooks (81% increase) as well as Reading Sufficiency (9% increase) and Alternative Education (20% increase).

The 2021 legislature passed several laws that will affect school budgets. Three notable new laws are HB2078 which revises the state aid formula to only allow one year versus two years of funding protection for schools with declining enrollment, SB783 which requires school districts to accept out-of-district transfer students if there is capacity, and SB229 which provides a building equalization fund.

The student enrollment for 2022 was 25,485, an increase of 1,989 students from the 2021 student enrollment of 23,496. For many, many years, Edmond has sustained annual enrollment growth. The enrollment decrease of 2,124 in 2021 attributed to COVID-19 was unusual and extreme. However, district enrollment rebounded even more quickly than anticipated with 2022 enrollment at 99.5% of pre-pandemic levels and only 135 students less than the 2020 enrollment. For 2022, school returned to the normal five days per week of in-person instruction.

Virtual Edmond ("VE") was first offered in 2020. While enrollment in that program is down from 3,450 in 2021, it continues to be noteworthy, comprising 1,292 students, 5% of the District's 2022 enrollment, with 396 in elementary VE and 896 in secondary VE.

Although Oklahoma's economy stumbled during the pandemic, state collections are currently showing a 13.1% increase over the past 12 months through November compared to the comparable previous 12-month period. Unemployment is a very low 2.7% in Oklahoma, but there are still significant labor shortages. In 2022 the district increased pay rates for certain hard-to-fill positions such as bus drivers, special education teaching assistants, and substitute teachers, but is still experiencing staffing shortages. The district is also starting to see the effects of cost inflation in software licenses, goods and services. Interest rates are still very low, especially on short-term investments.

Residential local property growth in Edmond continues to be strong and steady. Property valuations are anticipated to increase an average of 2.5% to 3% over the next two years but will be monitored closely.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lori Smith, Treasurer, 1001 W. Danforth, Edmond, OK 73003.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Statement of Net Position- Regulatory Basis  
June 30, 2021

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Investments	\$ 179,281,920
Investments	45,000,376
Other Current Assets	4,955
Inventories	654,254
Capital Assets:	
Land and Construction in Progress	73,549,814
Other Capital Assets, Net of Depreciation	440,366,388
	<hr/>
Total Assets	\$ 738,857,707
	<hr/>
<b>LIABILITIES</b>	
Current Liabilities	
Warrants Outstanding	\$ 6,490,624
Salaries and Related Benefits	16,410,742
Reserve for Encumbrances	1,479,995
Long-term Liabilities	
Due Within One Year	50,056,000
Due Beyond One Year	144,649,499
	<hr/>
Total Liabilities	\$ 219,086,860
	<hr/>
<b>NET POSITION</b>	
Net Investments in Capital Assets	\$ 420,017,366
Restricted for:	
Debt Service	37,940,388
School-based Activities	3,675,191
Child Nutrition	1,472,302
Buildings	10,365,348
Private Grants	322,130
Unrestricted	45,978,122
Total Net Position	<hr/> <hr/> \$ 519,770,847

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Statement of Activities - Regulatory Basis  
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction	\$ 118,392,838	\$ 54,283	\$ 11,829,928	\$ --	\$ (106,508,627)
Support Services	72,438,406	2,726,330	346,276	--	(69,365,800)
Non-instruction Services	10,445,464	4,014,386	6,089,797	--	(341,281)
Interest on Long-term Debt	3,525,850	--	--	--	(3,525,850)
Depreciation - Unallocated	15,872,509	--	--	--	(15,872,509)
Total Governmental Activities	<u>\$ 220,675,067</u>	<u>\$ 6,794,999</u>	<u>\$ 18,266,001</u>	<u>\$ --</u>	<u>\$ (195,614,067)</u>

General Revenues:

Taxes

Property taxes, levied for general purposes	\$ 80,715,824
Property taxes, levied for building purposes	11,523,905
Property taxes, levied for debt service	52,661,376
General Taxes	22,324,203
State aid - formula grants	54,688,264
Investment earnings	3,346,614
Loss on disposal of property	51,286
Total General Revenues	<u>\$ 225,311,472</u>

Change in net position	\$ 29,697,405
Net position - beginning	<u>490,073,442</u>
Net position - ending	<u>\$ 519,770,847</u>

See Accompanying Notes to Financial Statements



EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Balance Sheet  
Governmental Funds - Regulatory Basis (Unaudited)  
June 30, 2021

ASSETS	General Fund	Debt Service Fund	Capital Project Funds	Other Governmental Funds	Totals Governmental Funds
Cash	\$ 19,825,875	\$ 15,070,541	\$ 81,577,787	\$ 10,549,116	\$ 127,023,319
Cash Investments	10,000,000	25,007,220	12,250,000	5,001,381	52,258,601
Investments	24,006,786	14,993,590	6,000,000	-	45,000,376
Other Receivables	4,935	-	20	-	4,955
Inventories - Supplies, materials	131,964	-	-	468,463	600,427
<b>Total Assets</b>	<b>\$ 53,969,560</b>	<b>\$ 55,071,351</b>	<b>\$ 99,827,807</b>	<b>\$ 16,018,960</b>	<b>\$ 224,887,678</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Warrants Outstanding	\$ 6,055,775	\$ -	\$ 271,636	\$ 163,213	\$ 6,490,624
Salaries and Related Benefits	16,410,742	-	-	-	16,410,742
Principal and Interest Accruals	-	50,237,927	-	-	50,237,927
Reserve for Encumbrances	1,479,995	-	-	-	1,479,995
<b>Total Liabilities</b>	<b>\$ 23,946,512</b>	<b>\$ 50,237,927</b>	<b>\$ 271,636</b>	<b>\$ 163,213</b>	<b>\$ 74,619,288</b>
Fund Balances					
Nonspendable	\$ 131,964	\$ -	\$ -	\$ 468,463	\$ 600,427
Restricted	714,169	4,833,424	97,825,147	10,394,546	113,767,286
Committed	-	-	-	4,992,738	4,992,738
Assigned	12,412,260	-	1,731,024	-	14,143,284
Unassigned	16,764,655	-	-	-	16,764,655
<b>Fund Balances, End of Year</b>	<b>\$ 30,023,048</b>	<b>\$ 4,833,424</b>	<b>\$ 99,556,171</b>	<b>\$ 15,855,747</b>	<b>\$ 150,268,390</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 53,969,560</b>	<b>\$ 55,071,351</b>	<b>\$ 99,827,807</b>	<b>\$ 16,018,960</b>	
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$730,111,283 and the accumulated depreciation is \$216,195,081.					513,916,202
Federal commodities are distributed to the District to be used by the child nutrition program. Governmental funds are concerned with the flow of financial resources and, therefore, the receipt and usage of commodities are not reported in the governmental funds					53,827
Sinking Fund Principal and Interest Accruals are part of net assets at the district-wide level					50,237,927
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:					
			Bonds Payable	193,455,000	
			Compensated Absences	1,250,499	(194,705,499)
<b>Total Net Assets - Governmental Activities</b>					<b>\$ 519,770,847</b>

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds - Regulatory Basis (Unaudited)  
For the Year Ended June 30, 2021

	General Fund	Debt Service Fund	Capital Project Funds	Other Governmental Funds	Totals Governmental Funds
Revenues:					
Property Taxes	\$ 80,715,824	\$ 52,661,377	\$ -	\$ 11,523,905	\$ 144,901,106
Interest	278,910	561,754	202,091	49,170	1,091,925
County Revenue	8,308,795	-	-	-	8,308,795
State Revenue	70,120,537	2,469	-	82,273	70,205,279
Federal Revenue	9,396,267	0	-	5,055,922	14,452,189
Other	795,500	-	307,430	6,541,013	7,643,943
Total Revenues	\$ 169,615,833	\$ 53,225,600	\$ 509,521	\$ 23,252,283	\$ 246,603,237
Expenditures					
Instruction	\$ 109,981,962	\$ -	\$ 7,018,704	\$ 599,764	\$ 117,600,430
Support Services	58,203,661	-	6,262,740	12,879,495	77,345,896
Non-instruction services	3,594,393	-	58,245	6,225,739	9,878,377
Capital Outlay	-	-	33,250,259	-	33,250,259
Other Outlays	121,185	-	29,872	-	151,057
Debt Service	-	-	-	-	-
Interest Paid	-	3,525,850	-	-	3,525,850
Principal Retirement	-	47,850,000	-	-	47,850,000
Total Expenditures	\$ 171,901,201	\$ 51,375,850	\$ 46,619,820	\$ 19,704,998	\$ 289,601,869
Excess (Deficiency) of Revenues over Expenditures	\$ (2,285,368)	\$ 1,849,750	\$ (46,110,299)	\$ 3,547,285	\$ (42,998,632)
Other Financing Sources (Uses)					
Transfers In	\$ 2,054,240	\$ -	\$ 3,910,257	\$ 642,789	\$ 6,607,286
Transfers Out	(57,211)	(482,491)	(3,909,537)	(2,158,047)	(6,607,286)
Accrued Principal and Interest	-	(1,042,096)	-	-	(1,042,096)
Premium on Bond Sales	-	2,254,680	-	-	2,254,680
Proceeds of Bonds	-	-	72,000,000	-	72,000,000
Total Other Financing Sources (Uses)	\$ 1,997,029	\$ 730,093	\$ 72,000,720	\$ (1,515,258)	\$ 73,212,584
Net Change in Fund Balance	\$ (288,339)	\$ 2,579,843	\$ 25,890,421	\$ 2,032,027	\$ 30,213,952
Beginning Fund Balance	30,311,387	2,253,581	73,665,750	13,823,720	120,054,438
Ending Fund Balances	\$ 30,023,048	\$ 4,833,424	\$ 99,556,171	\$ 15,855,747	\$ 150,268,390

Total net changes in fund balances - governmental funds \$ 30,213,952  
The change in nets assets reported in the statement of activities is different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures.

However, for governmental activities those costs are shown in the statement allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

This is the amount by which capitalized assets exceed depreciation during the period.

Capitalized Assets	\$ 38,453,913	
Depreciation Expense	(15,872,509)	22,581,404

In the statement of activities, the loss from the disposal of assets is reported. In the governmental funds, proceeds from the disposal of assets, if any, are reported. Thus the change in net assets differs by the net undepreciated cost of the assets disposed. (10,158)

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). This year, vacation and sick leave earned exceeded amounts used. 63,644

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets. Debt issued this year exceeded repayments.

Debt Issued	\$ (72,000,000)	
Debt Repayments	47,850,000	(24,150,000)

The use of USDA commodities are not reported as expense in the governmental funds but are reflected in the government-wide financial statements (43,534)

Resources provided in the debt service fund in accordance with Oklahoma Statute 62-431 are not a liability at the district-wide level but considered a component of restricted net assets 1,042,097

Change in net assets of governmental activities \$ 29,697,405

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Statement of Endowment Net Position - Regulatory Basis  
For the Year Ended June 30, 2021

	<u>Private- Purpose Trust</u>
<b>Assets</b>	
Cash and Cash Investments	<u>\$        508,074</u>
<b>Total Assets</b>	<u>\$        508,074</u>
 <b>Net Position</b>	
Nonspendable Endowment	\$        440,088
Restricted for Scholarships	<u>        67,986</u>
<b>Total Net Position</b>	<u><u>\$        508,074</u></u>

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Statement of Changes in Fiduciary Net Position - Regulatory Basis  
For the Year Ended June 30, 2021

	Private- Purpose Trust
Additions:	
Interest	\$ 4,161
Total Additions	\$ 4,161
Deductions	
Other Expenses	0
Change In Net Position	\$ 4,161
Net Position- Beginning	503,913
Net Position- Ending	\$ 508,074

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2021

Note 1 -- Summary of Significant Accounting Policies

The Reporting Entity - Edmond Independent School District No. 12 (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 for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70 of the 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. There are no component units included within the reporting entity.

Financial Statement Presentation - The District prepares its financial statements in a presentation format that is, in substance, the format established by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statement-Management's Discussion and Analysis-for State and Local Governments*.

GASB Statement No. 34 established a financial reporting model for state and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes.

Basic Financial Statements – Government-Wide Statements - The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District does not have any activities classified as business-type activities.

In the government-wide Statement of Net Position, the District's governmental activities are reported on cash receipts and disbursement basis modified as required by the regulations of the Oklahoma Department of Education to include long-term debt and obligations. The District's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2021

Note 1 -- Summary of Significant Accounting Policies (continued)  
Basic Financial Statements – Government-Wide Statements

The government-wide Statement of Activities reports both the gross and net cost of each of the District's programs and functions. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Direct expenses are those that are clearly identifiable with a specific function. Program revenues must be directly associated with the function. Charges for services include charges and fees to students, or customers who purchase, use or directly benefit from the goods, services, or privileges provided by a given function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

All interfund transactions are eliminated in the district-wide statements.

The net costs are normally covered by general revenue (property taxes, State and Federal aid, other taxes etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Separate financial statements are provided for governmental funds and endowment funds, even though the latter is excluded from the district-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

Basic Financial Statements – Fund Financial Statements - Governmental fund financial statements are reported using the cash receipts and disbursements basis of accounting modified as required by the Oklahoma Department of Education to include investments and inventories on hand, encumbrances issued, and warrants outstanding. The fund financial statements provide reports on the financial condition and results of operations of governmental and endowment fund categories on a basis required by the cash basis and budget laws of the State of Oklahoma. Since resources in the endowment funds cannot be used for District operations, they are not included in the district-wide statements.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2021

Note 1 -- Summary of Significant Accounting Policies (continued)  
Basic Financial Statements – Fund Financial Statements (continued)

The District reports the following major governmental funds:

General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

Capital Projects Fund is used to account for the proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

Additionally, the District reports the following fund types:

Other Governmental Funds:

Special Revenue Funds – The District accounts for resources committed to, or designated for, specific purposes by the District or a grantor in a special revenue fund.

Endowment Funds:

Private Purpose Trust Fund – The District accounts for resources held in a trust or custodial capacity for individuals or private organizations. These funds are primarily used for scholarships.

Basis of Accounting - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2021

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

Basis of Accounting (continued)

As to the basis of accounting, the basic financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma Department of Education as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Vendor obligations due and payable for goods and services received are recorded as a reduction of the encumbrance when paid.
- Warrants/checks payable are recorded as liabilities when issued.
- Investments and inventories are recorded as assets when purchased and reduced when used.
- Long-term debt reported in the government-wide statements is recorded when incurred.
- Financial resources provided in the debt service fund in accordance with Oklahoma Statute 62-431 are reported as fund liabilities. In the government-wide statements, these resources are shown as restricted net position.
- 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 would have required the government-wide financial statements as well as the endowment fund financial statements to be presented on the accrual basis of accounting. The fund financial statements under accounting principles generally accepted in the United States of America would have been presented on the modified accrual basis of accounting. These financial statements are presented on the basis of accounting described above.

Inventories - Inventories consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories are accounted for using the consumption method where materials and supplies are recorded as an asset when purchased.

On the government-wide financial statements, United States Department of Agriculture (USDA) food commodities are recorded as revenue when received at fair value at the date of receipt and as an expense when used. USDA food commodities are not reported in the governmental funds.



EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2021

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

Capital Assets - Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized.

Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

School Buildings	45 years
Site Improvements	20 years
Portable Classrooms	25 years
Outdoor and Grounds Equipment	15 years
Kitchen Equipment	10 years
Audio Visual Equipment, Musical Instruments, Business Machines, Classroom and Athletic Equipment	10 years
Computers and Peripheral Equipment	5 years
Licensed Vehicles	6 years

Compensated Absences – Certified and permanent personnel are entitled to one day of sick leave for each working month, with the total annual leave allotment being available on the first day of the employee's work year. New support employees accrue sick leave at the rate of one day per month, with leave being available after accrual. As an attendance incentive, employees are compensated \$35 per day for full-time, or \$17.50 per day for part-time, for up to 10 days of sick leave accumulated in excess of 110 days at the end of the fiscal year.

Employees assigned to twelve month positions accrue 10 days of vacation per year for the first 4 years of employment, 15 days beginning with the 5<sup>th</sup> through 14<sup>th</sup> year of employment, and 18 days beginning with the 15<sup>th</sup> year of employment. Upon termination of employment, unused accrued vacation is paid at the employee's current rate of pay.

Budgets and Budgetary Accounting - The District is required by state law to prepare an annual budget. No later than October 1, each board of education shall prepare a financial statement and estimate of needs to be filed with the applicable county clerk and the State Department of Education. Once the county excise board has approved the estimate of needs, the board shall adopt a final budget within 45 days or the second regularly scheduled board meeting.

The final budget may be revised upon approval of the Board of Education in open meeting.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2021

Note 1 -- Summary of Significant Accounting Policies (continued)  
Budgets and Budgetary Accounting (continued)

A budget that includes revenues and expenditures is legally adopted by the Board of Education for the General Fund, Building Fund, Child Nutrition and the Debt Service Fund.

Budgets generally assume the expenditure of all available resources. Therefore, when the legal budget is prepared, it assumes these funds will not have a carryover balance to a subsequent year. Program revenue received but not spent is deferred to the subsequent fiscal year.

Deposits - The District considers all cash on hand, demand deposits, money market checking, sweep accounts, and bank certificates of deposit, which are subject to early withdrawal penalties no matter what the maturity period, to be cash. All short-term cash surpluses are maintained in a cash pool, the earnings from which are allocated to each fund based on average monthly deposit balances. State statutes require collateral for deposits in excess of insured amounts. The collateral's market value must exceed the uninsured deposit.

Investments - Short term investments are reported at cost. Securities traded on a national exchange are valued at amortized cost. The District's investment policies are governed by Oklahoma Statute 70-5-115. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations and bank and trust companies; and savings accounts or savings certificates of savings and loan associations and trust companies.

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 is due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 1. 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.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2021

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

State Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. Approximately 41% of the District's general fund revenue comes from state sources.

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

The District receives revenue from the State to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the programs for which the money is provided and require that any 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 Transfers - During the course of normal operations, the District has transactions between funds including reimbursement of expenditures made on behalf of another fund and transfers of resources to provide services and purchase assets. Transactions that are normal and recurring between funds are recorded as operating transfers.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount 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.

Net Position and Fund Balance –

District-Wide Financial Statements –

Net position on the Statement of Net Position includes the following:

Net Investment in Capital Assets – The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2021

Note 1 -- Summary of Significant Accounting Policies (continued)  
Net Position and Fund Balance (continued)

Restricted for Debt Service – The component of net position that reports the amount of funds restricted for payment of principal and interest on debt. This amount is restricted by bond indentures.

Restricted for Buildings – The component of net position that reports the excess of property taxes and other revenue collected in excess of expenses for operation of the District's buildings. This amount is restricted by state law.

Restricted for School Organizations – The component of net position that reports the assets restricted for use by student organizations and extracurricular activities. This amount is restricted by regulations of the Oklahoma State Department of Education.

Restricted for Child Nutrition – The component of net position restricted for use by the child nutrition fund. This amount is restricted by regulations of the Oklahoma State Department of Education.

Restricted for Private Grants – The component of net position restricted for use as specified in the original grant documents when the grant was awarded. This amount is restricted by the original grantor.

Unrestricted – The difference between assets and liabilities that is not reported as restricted for any particular purpose.

When the District incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because it is not used.

Fund Financial Statements–

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Notes to Financial Statements  
June 30, 2021

Note 1 -- Summary of Significant Accounting Policies (continued)  
Net Position and Fund Balance (continued)

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified Inventories as being nonspendable as these items are not expected to be converted to cash within the next year. Endowment principal is non-spendable by terms of the endowment bequest.

Restricted: This classification includes amounts for which constraints on the use of the resources are either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified school bond proceeds as being restricted because their use is restricted by state statute or legislation regarding use of expenditures. The building fund balance is restricted by state statute to capital outlay and property maintenance. Debt service resources are restricted by debt covenant to servicing general obligation bonds. Federal and state program revenues and gift fund grants are restricted by the granting agencies to program-specific expenditures. Endowment earnings are restricted by the contributor for scholarship purposes.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District has classified child nutrition and school program activities as being committed because their use is directed by the Board of Education.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to management through the budgetary process. The District has assigned general funds for employee compensation, site budget carryover, and anticipated federal program carryover. Bond fund earnings other than bond proceeds (primarily investment earnings) are assigned for bond costs and expenditures consistent with those restricted by bond proposition.

Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification would also include any negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
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June 30, 2021

Note 1 -- Summary of Significant Accounting Policies (continued)  
Net Position and Fund Balance (continued)

assigned fund balance amounts. The District does not have a formal stabilization arrangement regarding minimum funding requirements.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

As of June 30, 2021, fund balances are comprised of the following:

	General Fund	Debt Service Fund	Capital Project Bond Funds	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventory	\$ 131,964	\$ -	\$ -	\$ 468,463	\$ 600,427
Restricted for:					
Capital outlay and property maintenance	-	-	97,825,147	10,072,416	107,897,563
Debt service	-	4,833,424	-	-	4,833,424
Federal and state programs	714,169	-	-	-	714,169
Instruction	-	-	-	322,130	322,130
Total Restricted	<u>714,169</u>	<u>4,833,424</u>	<u>97,825,147</u>	<u>10,394,546</u>	<u>113,767,286</u>
Committed to:					
Food services	-	-	-	1,317,547	1,317,547
School programs	-	-	-	3,675,191	3,675,191
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,992,738</u>	<u>4,992,738</u>
Assigned to:					
Employee compensation	1,479,995	-	-	-	1,479,995
Site budget carryover	101,722	-	-	-	101,722
Anticipated federal program carryover	10,830,543	-	-	-	10,830,543
Bond costs and capital outlay	-	-	1,731,024	-	1,731,024
Total Assigned	<u>12,412,260</u>	<u>-</u>	<u>1,731,024</u>	<u>-</u>	<u>14,143,284</u>
Unassigned	<u>16,764,655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,764,655</u>
	<u>\$ 30,023,048</u>	<u>\$ 4,833,424</u>	<u>\$ 99,556,171</u>	<u>\$ 15,855,747</u>	<u>\$ 150,268,390</u>

Note 2 -- Cash and Investments

Investments – The District’s investment policies are governed by state statute. Permissible investments include direct obligations of the United States Government, its agencies and instrumentalities; obligations guaranteed by the State of Oklahoma; repurchase agreements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
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Notes to Financial Statements  
June 30, 2021

Note 2 -- Cash and Investments (continued)

county, municipal and school district ad valorem bonds; money market mutual funds regulated by the SEC and consisting of investments identified above; warrants, bonds or judgments of the school district; qualified pooled investment programs consisting of investments identified above and governed through an interlocal cooperative agreement, and investment programs administered by the State Treasurer.

The District maintains cash and investment pools available for use by all funds. Each fund's portion of the pool is displayed on the governmental fund balance sheet.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require collateral for amounts in excess of federally insured amounts. The deposit policy for custodial credit risk requires compliance with the provision of state law. At June 30, 2021, the bank balance of deposits and cash pools was completely covered by federal depository insurance and by collateral held by the District's third party agent in the District's name.

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

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal policy limiting its exposure arising from concentration of investments.

At June 30, 2021, the District held U.S. Government treasury and agency investments in the following:

<u>Agency</u>	<u>Moodys Rating</u>	<u>Term</u>	<u>Balance</u>
Federal Home Loan Bank	Aaa	8 month	\$6,000,000
United States Treasury Notes	Aaa	5-18 months	\$ 38,982,512

Judgments that were awarded against the District for obligations from prior years were purchased from the plaintiffs as investments of the general fund. The original judgment amounts totaling \$17,863 are levied in the sinking fund ratably over three years at a statutory interest rate set annually, currently 5.25%.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
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June 30, 2021

Note 3 -- Long-term Liabilities

The long-term liability balances and activity for the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General Obligation Debt	\$ 169,305,000	\$ 72,000,000	\$ (47,850,000)	\$ 193,455,000	\$ 49,020,000
Compensated Absences	1,314,143	971,179	(1,034,823)	1,250,499	1,036,000
Total governmental activity long-term liabilities	\$ 170,619,143	\$ 72,971,179	\$ (48,884,823)	\$ 194,705,499	\$ 50,056,000

Payments on bonds are made by the debt service fund from property tax collections. Compensated absences are generally liquidated by the general fund.

Bonds payable at June 30, 2021 are composed of the following individual general obligation bond issues:

Issue Amount	Purpose	Date	Annual Payment	Final Payment	Maturity Date	Interest Rates	Total Outstanding
\$12,080,000	Combined	8/1/2016	\$3,020,000	\$3,020,000	8/1/2021	1.5%-2.5%	3,020,000
\$37,580,000	Combined	3/1/2017	\$9,395,000	\$9,395,000	3/1/2022	2.0%	9,395,000
\$20,000,000	Combined	8/1/2017	\$5,000,000	\$5,000,000	8/1/2022	2.0%	10,000,000
\$30,900,000	Combined	3/1/2018	\$7,725,000	\$7,725,000	3/1/2023	2.0%-3.0%	15,450,000
\$22,520,000	Building	8/1/2018	\$5,630,000	\$5,630,000	8/1/2023	2.5%-3.0%	16,890,000
\$25,200,000	Combined	3/1/2019	\$6,300,000	\$6,300,000	3/1/2024	2.0%	18,900,000
\$17,000,000	Building	8/1/2019	\$4,250,000	\$4,250,000	8/1/2024	2.0%	17,000,000
\$30,800,000	Combined	3/1/2020	\$7,700,000	\$7,700,000	3/1/2025	.05%-2.0%	30,800,000
\$20,000,000	Combined	8/1/2020	\$5,000,000	\$5,000,000	8/1/2025	1%-2%	20,000,000
\$52,000,000	Combined	6/1/2021	\$13,000,000	\$13,000,000	6/1/2026	1.25%-1.5%	52,000,000
							\$ 193,455,000

As of June 30, 2021 the annual requirements to amortize all bond debt outstanding, including interest payments, are as follows:

Period Ending June 30	Principal	Interest	Total Debt Service
2022	\$ 49,020,000	\$ 3,456,850	\$ 52,476,850
2023	54,605,000	2,207,225	56,812,225
2024	41,880,000	1,149,725	43,029,725
2025	29,950,000	614,500	30,564,500
2026	18,000,000	212,500	18,212,500
	\$ 193,455,000	\$ 7,640,800	\$ 201,095,800



EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
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June 30, 2021

Note 3 -- Long-term Liabilities (continued)

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue. General obligation bonded debt of the District is limited by state law to 10% of the assessed valuation of the District. The legal debt limit at June 30, 2021 is approximately \$218,777,665.

Proceeds of general obligation bond issues are recorded in the Capital Projects Fund and at least 85% of the proceeds are restricted to the use for which they were approved in the bond elections.

*Pledged Revenues* – Property tax revenues collected by the District are pledged to repay the District's general obligation bonds. The principal and interest paid on general obligation bonds with the pledged revenues in 2021 was \$47,850,000 and \$3,525,850, respectively. As of June 30, 2021, \$193,455,000 of general obligation bonds were outstanding, and \$13,000,000 of general obligation bonds were authorized but not issued. Subsequent to year end, the District issued the additional \$13,000,000 of voter-approved general obligation bonds.

Note 4 -- Employee Retirement System

Teachers' Retirement System of Oklahoma

*Plan Description* - The District contributes to the state-administered Oklahoma Teachers' Retirement System ("TRS"), a cost-sharing, multiple-employer defined benefit public employee retirement system. The System is administered by a board of trustees. TRS provides retirement, disability and death benefits to plan members and beneficiaries. Oklahoma State Statute 70, Article 17 assigns the authority to establish and amend benefit provisions to the TRS Board of Trustees. The System issues a publicly available report that includes financial statements and required supplementary information for TRS. That report may be obtained by contacting the Oklahoma Teachers' Retirement System.

*Benefits Provided* – The System provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O.S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature. Benefit provisions include:

- Members who began contributions prior to November 1, 2017 become 100% vested in benefits earned to date after five years of credited service. The vesting term for members who began contributions on or after November 1, 2017 is seven years.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
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Notes to Financial Statements  
June 30, 2021

Note 4 -- Employee Retirement System (continued)

- Members who joined the System prior to July 1, 1992 are eligible to retire at maximum benefits at the earlier of age 62 or when age and years of creditable service total 80. Members joining from July 1, 1992 to October 31, 2011 are eligible for maximum benefits at the earlier of age 62 or when their age and years of creditable service total 90. Members who joined the System on or after November 1, 2011 are eligible to retire with maximum benefits at the earlier of age 65 or when their age and years of creditable service total 90 as long as their age is at least 60.
- The maximum retirement benefit is 2% of final average compensation times the number of years of credited service. Reduced benefits are available at age 55 for members joining prior to November 1, 2011 or age 60 for members joining after October 31, 2011. Reduction factors vary depending on age and date of membership when joining the System.
- Final average compensation for members who joined the System prior to July 1, 1992 is defined as the average salary for three highest years of contributing compensation. For members joining the System after June 30, 1992 final average compensation is defined as the average of the five highest consecutive years of contributing compensation. Prior to July 1, 1995 all contributions were limited to salary caps of \$40,000 or \$25,000 depending on the member's election. Salary caps were removed starting July 1, 1995.
- Upon death, the designated beneficiary of a member who has not retired shall receive total contributions plus 100% of interest earned through the end of the fiscal year, with interest rates varying based on time of service. The surviving spouse may elect to receive the retirement benefit of the member, in lieu of the aforementioned benefits.
- Upon death of a retired member, the System will pay \$5,000 to the designated beneficiary in addition to the benefits provided by the retirement option selected by the member.
- A member is eligible for disability benefits after 10 years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable years of credited service.
- Upon withdrawal from the system, a member's contributions are refundable with interest, based on the years of service.

*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 educational 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

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
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Note 4 -- Employee Retirement System (continued)

employer-paid fringe benefits. The District is required by statute to contribute 9.5% of applicable compensation for the year ended June 30, 2021. Plan members are required to contribute 7% of their annual covered salary. The District pays the member portion as a benefit for its full-time employees as allowed by statute.

For the year ended June 30, 2021, qualifying employee contributions were reduced by a retirement credit of \$1,013,788 provided by Enrolled House Bill 1873 and paid by the State of Oklahoma on behalf of the District. The government-wide financial statements include amounts representing on-behalf payments made to the System by the State of Oklahoma. These payments do not represent a direct or indirect payment of the District.

The District's contributions to TRS (net of retirement credit paid by the State of Oklahoma) for the years ended June 30, 2021, 2020, and 2019 were \$19,771,276, \$19,871,509, and \$18,699,330, respectively, and equaled the required contributions each year.

*Pension plan fiduciary net position* – Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/trs/>.

Note 5 -- Other Post-Employment Benefits (OPEB)

In addition to the retirement plan described in Note 4, the District participates in the state-administered Supplemental Health Insurance Program (OPEB plan) within Teachers' Retirement System of Oklahoma (the OPEB system), which is a cost-sharing multiple-employer defined benefit OPEB plan administered by the TRS

*Plan description* - The District as the employer, participates in the Supplemental Health Insurance Program—a cost-sharing multiple-employer defined benefit OPEB plan administered by the Oklahoma Teachers Retirement System (OTRS). Title 74 O. S. Sec. 1316.3 defines the health insurance benefits. The authority to establish and amend benefit provisions rests with the State Legislature. OTRS issues a publicly available financial report that can be obtained at [www.ok.gov/OTRS](http://www.ok.gov/OTRS).

*Benefits provided* - OTRS pays a medical insurance supplement to eligible members who elect to continue their employer provided health insurance. The supplement payment is between \$100 and \$105 per month, remitted to the Oklahoma Management Enterprise Services Employees Group Insurance Division, provided the member has ten (10) years of Oklahoma service prior to retirement.

*Contributions* - Employer and employee contributions are made based upon the TRS Plan provisions contained in Title 70, as amended. However, the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. Based on

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
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June 30, 2021

Note 5 -- Other Post-Employment Benefits (OPEB) (continued)

the contribution requirements of Title 70, employers and employees contribute a single amount based on a single contribution rate as described in Note 4; from this amount OTRS allocates a portion of the contributions to the supplemental health insurance program.

*OPEB plan fiduciary net position* - Detailed information about the OPEB plan's fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/trs/>.

Note 6 -- 403(b) Retirement Savings Plan

The District sponsors a 403(b) retirement savings plan in which all employees of the District are eligible to participate. Internal Revenue Code Section 403(b) annuity contracts are a retirement vehicle available to public school district employees. The annuity contracts supplement and are separate from the Oklahoma Teachers' Retirement System. Annuity contracts and 403(b) contributions are tax deferred and are funded through elective pre-income tax deductions up to limits set by federal law. The District does not make contributions into the plan. Participants may choose their investment provider from a list of approved investment providers under the plan. The plan provides for withdrawals only upon attainment of age 59½, severance from employment, total and permanent disability, death, a "qualified reservist" distribution, or financial hardship as defined by the plan. The district has contracted a third party administrator to provide administrative services. The agreement provides for a charge of \$12 per year for each participant, to be paid by the participants.

Note 7 -- 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 and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year, and insurance settlements have not exceeded coverage.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
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June 30, 2021

Note 8 -- 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.

The District is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the District believes the resolution of these matters will not have a material adverse effect on the financial condition of the District. Should a judgment be awarded against the District, it would be levied through the District's sinking fund over a three-year period pursuant to state law.

During 2020 and extending in 2021, the worldwide coronavirus pandemic impacted local, national and global economies. The District is closely monitoring its operations and available fund balances and actively working to minimize current and future impacts of the unprecedented situation. As of the date of issuance of these financial statements, the full current and future impact to the District is not known.

The District had \$24,568,926 in outstanding construction commitments in the capital project funds as of June 30, 2021.

Note 9 -- Schedule of Transfers

Transfer From	Transfer To	Amount	Nature of Transfer
Child Nutrition Fund	General Fund	\$ 124,134	Operating Transfer for Payroll
Student Activity Fund	General Fund	1,617,605	Operating Transfer
Gift Fund	General Fund	255,290	Operating Transfer
General Fund	General Fund	57,211	Operating Transfer
Student Activity Fund	Student Activity Fund	147,051	Operating Transfer
Student Activity Fund	Child Nutrition Fund	3,803	Operating Transfer
Student Activity Fund	Gift Fund	5,039	Operating Transfer
Student Activity Fund	Bond Residual Fund	720	Operating Transfer
Child Nutrition Fund	Child Nutrition Fund	4,405	Operating Transfer
Debt Service Fund	Building Fund	482,491	Operating Transfer
2017A Bond Fund	Bond Residual Fund	2,581,586	Operating Transfer
2017B Bond Fund	Bond Residual Fund	1,327,951	Operating Transfer
		<u>\$ 6,607,286</u>	

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
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June 30, 2021

Note 10 -- Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Government Activities:</b>				
<b>Capital assets not being depreciated</b>				
Land	\$ 18,359,842	\$ 153,323	\$ -	\$ 18,513,165
Construction in progress	57,834,191	35,169,104	37,966,646	55,036,649
Total capital assets not being depreciated	<u>\$ 76,194,033</u>	<u>\$ 35,322,427</u>	<u>\$ 37,966,646</u>	<u>\$ 73,549,814</u>
<b>Capital assets being depreciated:</b>				
Buildings	\$ 572,649,217	\$ 38,071,923	\$ -	\$ 610,721,140
Furniture	3,412,576	123,485	-	3,536,061
Musical Instruments	1,277,974	65,928	-	1,343,902
Equipment	21,624,207	1,479,046	88,013	23,015,240
Vehicles/Buses	16,975,607	1,357,750	388,231	17,945,126
Total capital assets being depreciated	<u>\$ 615,939,581</u>	<u>\$ 41,098,132</u>	<u>\$ 476,244</u>	<u>\$ 656,561,469</u>
Less accumulated depreciation	<u>200,788,658</u>	<u>15,872,509</u>	<u>466,086</u>	<u>216,195,081</u>
Total capital assets being depreciated, net	<u>\$ 415,150,923</u>	<u>\$ 25,225,623</u>	<u>\$ 10,158</u>	<u>\$ 440,366,388</u>
Governmental activity capital assets, net	<u>\$ 491,344,956</u>	<u>\$ 60,548,050</u>	<u>\$ 37,976,804</u>	<u>\$ 513,916,202</u>
<b>Total Primary Government</b>	<u>\$ 491,344,956</u>	<u>\$ 60,548,050</u>	<u>\$ 37,976,804</u>	<u>\$ 513,916,202</u>

Construction of an indoor/outdoor tennis center in conjunction with the City of Edmond was completed in August 2020. The city provided the land valued at \$2,500,000 under a 30-year lease agreement for \$1 per year, and also contributed cash of \$7,287,789 for construction, architectural and engineering fees. The District contributed \$9,852,631 from bond proceeds. Design and construction were bid by and coordinated through the District. The constructed assets belong to the District. The facility is operated by the city subject to an operating agreement with the District which stipulates operating guidelines and cost sharing responsibilities.

Note 11 – Tax Abatement

The State of Oklahoma has authorized by Oklahoma State Statutes Title 31 to offer Homestead and Veterans exemptions to ad valorem property taxes. These exemptions reduce the ad valorem taxes remitted to the District. For the year ended June 30, 2021, the District had \$3,029,349 in abated ad valorem tax revenues.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
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June 30, 2021

Note 12 – Subsequent Events

Subsequent to the fiscal year end, the District issued the final installment of bonds from the May 11, 2021 bond election. Voters in the District approved the issuance of bonds totaling \$65,000,000, to be issued in two series. Construction projects include a classroom addition at Santa Fe High School, an addition to Memorial's freshman academy and a renovation of their industrial arts building, a gym renovation at North High School, a media center addition at Cross Timbers Elementary, classroom additions at Redbud and Scissortail Elementary schools, and a new building for ag engineering and mechanics. The bond will also provide for renovations at Northern Hills, Sunset, Ida Freeman, Orvis Risner, Charles Haskell, Chisholm, Russell Dougherty, Will Rogers, and Clegern elementary schools as well as gym floor replacements at Chisholm, Ida Freeman, Cross Timbers, and John Ross elementary schools. Equipment projects include technology, transportation, school security, roofing, flooring, school instructional equipment, textbooks, HVAC replacement, classroom furnishings, child nutrition equipment, marquees and directional signage, and playground improvements. Additionally, bond proceeds will provide parking and road additions and improvements at several schools and the purchase of land for future school sites and site expansion.

The first installment in the amount of \$52,000,000 was issued in June 2021, and the second installment of \$13,000,000 was issued in August 2021.

Construction commitments subsequent to year end totaled \$8,082,204 from bond funds.

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The District has a public employee dishonesty bond with Ohio Casualty Insurance Company covering all district employees not individually bonded. This bond coverage is \$100,000 per loss with a \$2,500 deductible per employee. The bond number is LSFO62011/3884485 and the term is from July 1, 2017 until cancelled.

The treasurer was bonded under Ohio Casualty Insurance Company surety bond number LSF041210/3863216 with a coverage amount of \$500,000, effective June 30, 2020 through June 30, 2021 and renewed through June 30, 2022.

The assistant treasurer who was employed through February 25, 2021 was bonded under Ohio Casualty Insurance Company surety bond number 87C002416 with a coverage amount of \$500,000. The incoming assistant treasurer was bonded under Ohio Casualty Insurance Company surety bond number 999089293 with a coverage amount of \$500,000 effective February 26, 2021 through June 30, 2021 and renewed through June 30, 2022.

The outgoing superintendent was bonded under Ohio Casualty Insurance Company surety bond number 87C002471 with a coverage amount of \$100,000. The bond was effective for the period from July 1, 2015 until canceled. That bond was canceled upon completion of his contract on June 30, 2021. The incoming superintendent is bonded under Ohio Casualty Insurance Company surety bond number 999113924 with a coverage amount of \$100,000. The bond is effective for the period from June 30, 2021 through June 30, 2022.



## Other Supplementary Information

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Budgetary Comparison Schedule - General Fund - Regulatory Basis  
For the Year Ended June 30, 2021

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUE				
Property Taxes	\$ 74,791,752	\$ 74,791,752	\$ 80,715,824	\$ 5,924,072
Interest	475,800	475,800	278,910	(196,890)
County Revenue	7,462,400	7,462,400	8,308,795	846,395
State Revenue	72,777,945	72,777,945	70,120,537	(2,657,408)
Federal Revenue	9,536,100	9,536,100	9,396,267	(139,833)
Other	6,739,099	6,739,099	2,849,740	(3,889,359)
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Revenue	\$ 171,783,096	\$ 171,783,096	\$ 171,670,073	\$ (113,023)
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
EXPENDITURES				
Current				
Instruction	\$ 116,301,863	\$ 116,301,863	\$ 109,981,962	\$ (6,319,901)
Support Services	59,607,704	59,607,704	58,203,661	(1,404,043)
Non-instruction Services	7,768,630	7,768,630	3,594,393	(4,174,237)
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Other Outlays	18,329,445	18,329,445	178,396	(18,151,049)
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Expenditures	\$ 202,007,642	\$ 202,007,642	\$ 171,958,412	\$ (30,049,230)
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (30,224,546)	(30,224,546)	(288,339)	29,936,207
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Fund Balance - Beginning	30,224,546	30,224,546	30,311,387	86,841
Fund Balance - Ending	\$ --	\$ --	\$ 30,023,048	\$ 30,023,048
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Budgetary Comparison Schedule - Other Appropriated Funds - Regulatory Basis  
For the Year Ended June 30, 2021

	Building Fund		Child Nutrition Fund		Sinking Fund	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
Budgetary Fund Balance, July 1						
REVENUE						
Property Taxes	\$ 10,679,113	\$ 11,523,905	\$ -	\$ -	\$ 50,164,366	\$ 52,661,377
Interest	44,800	35,165	15,700	4,272	-	561,754
State Revenue	350	538	49,400	81,735	-	2,469
Federal Revenue	-	-	1,960,300	5,055,922	-	-
Other	756,600	1,192,984	2,419,300	612,110	-	730,093
Total Revenue	<u>\$ 11,480,863</u>	<u>\$ 12,752,592</u>	<u>\$ 4,444,700</u>	<u>\$ 5,754,039</u>	<u>\$ 50,164,366</u>	<u>\$ 53,955,693</u>
EXPENDITURES						
Current						
Instruction	\$ 91,056	\$ 8,071	\$ -	\$ -	\$ -	\$ -
Support Services	15,052,484	10,188,124	-	-	-	-
Non-instruction Services	-	-	4,645,509	5,641,086	-	-
Capital Outlays	68,460	-	-	-	-	-
Other Outlays	3,807,919	-	1,069,894	120,331	-	-
Debt Service						
Interest Paid					3,397,947	3,525,850
Principal Retirement					49,020,000	47,850,000
Total Expenditures	<u>\$ 19,019,919</u>	<u>\$ 10,196,195</u>	<u>\$ 5,715,403</u>	<u>\$ 5,761,417</u>	<u>\$ 52,417,947</u>	<u>\$ 51,375,850</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,539,056)	2,556,397	(1,270,703)	(7,378)	(2,253,581)	2,579,843
Fund Balance - Beginning	<u>7,539,056</u>	<u>7,808,951</u>	<u>1,270,703</u>	<u>1,500,456</u>	<u>2,253,581</u>	<u>2,253,581</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 10,365,348</u>	<u>\$ -</u>	<u>\$ 1,493,078</u>	<u>\$ -</u>	<u>\$ 4,833,424</u>

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Combining Balance Sheet  
Other Special Revenue Funds  
Regulatory Basis  
June 30, 2021

	<u>Building</u>	<u>Child Nutrition</u>	<u>Activity</u>	<u>Gift</u>	<u>Total</u>
<b>ASSETS</b>					
Cash	\$ 5,169,675	\$ 1,333,436	\$ 3,723,300	\$ 322,705	\$ 10,549,116
Cash Investments	5,001,381	-	-	-	5,001,381
Investments	-	-	-	-	-
Other Receivables	-	-	-	-	-
Inventories - Supplies, materials	292,932	175,531	-	-	468,463
<b>Total Assets</b>	<u>\$ 10,463,988</u>	<u>\$ 1,508,967</u>	<u>\$ 3,723,300</u>	<u>\$ 322,705</u>	<u>\$ 16,018,960</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Warrants Outstanding	\$ 98,640	\$ 15,889	\$ 48,109	\$ 575	\$ 163,213
Accounts Payable	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Retainage Payable	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-
<b>Total Liabilities</b>	<u>\$ 98,640</u>	<u>\$ 15,889</u>	<u>\$ 48,109</u>	<u>\$ 575</u>	<u>\$ 163,213</u>
Fund Balance					
Nonspendable	\$ 292,932	\$ 175,531	\$ -	\$ -	\$ 468,463
Restricted	10,072,416	-	-	322,130	10,394,546
Committed	-	1,317,547	3,675,191	-	4,992,738
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Fund Balances, End of Year</b>	<u>\$ 10,365,348</u>	<u>\$ 1,493,078</u>	<u>\$ 3,675,191</u>	<u>\$ 322,130</u>	<u>\$ 15,855,747</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 10,463,988</u>	<u>\$ 1,508,967</u>	<u>\$ 3,723,300</u>	<u>\$ 322,705</u>	<u>\$ 16,018,960</u>

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Other Special Revenue Funds  
Regulatory Basis (Unaudited)  
For the Year Ended June 30, 2021

	Building	Child Nutrition	Activity	Gift	Total
Revenues					
Property Taxes	\$ 11,523,905	\$ -	\$ -	\$ -	\$ 11,523,905
Interest	35,165	4,272	9,030	703	49,170
State Revenue	538	81,735	-	-	82,273
Federal Revenue	-	5,055,922	-	-	5,055,922
Other	710,493	612,110	5,038,822	179,588	6,541,013
Total Revenues	\$ 12,270,101	\$ 5,754,039	\$ 5,047,852	\$ 180,291	\$ 23,252,283
Expenditures					
Instruction	\$ 8,071	\$ -	\$ 547,466	\$ 44,227	\$ 599,764
Support Services	10,188,124	-	2,658,507	32,864	12,879,495
Non-instruction Services	-	5,641,086	584,653	-	6,225,739
Capital Outlays	-	-	-	-	-
Other Outlays	-	-	-	-	-
Debt Service					
Interest Paid					
Principal Retirement					
Total Expenditures	\$ 10,196,195	\$ 5,641,086	\$ 3,790,626	\$ 77,091	\$ 19,704,998
Excess (Deficiency) of Revenues over Expenditures	\$ 2,073,906	\$ 112,953	\$ 1,257,226	\$ 103,200	\$ 3,547,285
Other Financing Sources (Uses)					
Transfers In	\$ 482,491	\$ 8,208	\$ 147,051	\$ 5,039	\$ 642,789
Transfers Out	-	(128,539)	(1,774,218)	(255,290)	(2,158,047)
Proceeds of Bonds	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ 482,491	\$ (120,331)	\$ (1,627,167)	\$ (250,251)	\$ (1,515,258)
Net Change in Fund Balance	\$ 2,556,397	\$ (7,378)	\$ (369,941)	\$ (147,051)	\$ #REF!
Beginning Fund Balance	7,808,951	1,500,456	4,045,132	469,181	13,823,720
Beginning Fund Balance	\$ 7,808,951	\$ 1,500,456	\$ 4,045,132	\$ 469,181	\$ 13,823,720
Ending Fund Balances	\$ 10,365,348	\$ 1,493,078	\$ 3,675,191	\$ 322,130	\$ #REF!

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Combining Balance Sheet  
Other Capital Project Funds  
Regulatory Basis  
June 30, 2021

	2018A	2018B	2019A	2019B	2020A	2020B	2021A	Bond Residual	Total Capital Project Funds
<b>ASSETS</b>									
Cash	\$ 1,639,842	\$ 1,183,769	\$ 2,640,265	\$ 4,066,003	\$ 20,442,408	\$ 15,743,688	\$ 33,750,121	\$ 2,111,691	\$ 81,577,787
Cash Investments	-	-	-	-	-	-	12,250,000	-	12,250,000
Investments	-	-	-	-	-	-	6,000,000	-	6,000,000
Other Receivables	-	-	-	-	-	-	20	-	20
<b>Total Assets</b>	<u>\$ 1,639,842</u>	<u>\$ 1,183,769</u>	<u>\$ 2,640,265</u>	<u>\$ 4,066,003</u>	<u>\$ 20,442,408</u>	<u>\$ 15,743,688</u>	<u>\$ 52,000,141</u>	<u>\$ 2,111,691</u>	<u>\$ 99,827,807</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities									
Warrants Outstanding	\$ 4,059	\$ 70	\$ 61,741	\$ 4,498	\$ 887	\$ 2,355	\$ 152,823	\$ 45,203	\$ 271,636
<b>Total Liabilities</b>	<u>\$ 4,059</u>	<u>\$ 70</u>	<u>\$ 61,741</u>	<u>\$ 4,498</u>	<u>\$ 887</u>	<u>\$ 2,355</u>	<u>\$ 152,823</u>	<u>\$ 45,203</u>	<u>\$ 271,636</u>
Fund Balance									
Restricted	\$ 1,518,073	\$ 1,032,629	\$ 2,283,585	\$ 3,789,882	\$ 20,370,811	\$ 15,716,008	\$ 51,847,177	\$ 1,266,982	\$ 97,825,147
Assigned	117,710	151,070	294,939	271,623	70,710	25,325	141	799,506	1,731,024
<b>Fund Balances, End of Year</b>	<u>\$ 1,635,783</u>	<u>\$ 1,183,699</u>	<u>\$ 2,578,524</u>	<u>\$ 4,061,505</u>	<u>\$ 20,441,521</u>	<u>\$ 15,741,333</u>	<u>\$ 51,847,318</u>	<u>\$ 2,066,488</u>	<u>\$ 99,556,171</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,639,842</u>	<u>\$ 1,183,769</u>	<u>\$ 2,640,265</u>	<u>\$ 4,066,003</u>	<u>\$ 20,442,408</u>	<u>\$ 15,743,688</u>	<u>\$ 52,000,141</u>	<u>\$ 2,111,691</u>	<u>\$ 99,827,807</u>

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Other Capital Project Funds  
Regulatory Basis  
For the Year Ended June 30, 2021

	2017A	2017B	2018A	2018B	2019A	2019B	2020A	2020B	2021A	Bond Residual	Total Capital Project Funds
Revenues											
Interest	\$ -	\$ -	\$ 2,164	\$ 2,991	\$ 59,977	\$ 46,633	\$ 35,131	\$ 25,325	\$ 141	\$ 29,729	\$ 202,091
Other	-	-	1,079	4,201	1,093	6,358	239,608	-	-	55,091	307,430
Total Revenues	\$ -	\$ -	\$ 3,243	\$ 7,192	\$ 61,070	\$ 52,991	\$ 274,739	\$ 25,325	\$ 141	\$ 84,820	\$ 509,521
Expenditures											
Instruction	\$ -	\$ -	\$ 796,953	\$ 739,473	\$ 51,596	\$ 887,444	\$ 1,785,385	\$ 1,179,145	\$ -	\$ 1,578,708	\$ 7,018,704
Support Services	-	-	35,132	514,920	1,026,630	1,791,938	2,475,638	272,587	-	145,895	6,262,740
Non-instruction services	-	-	-	31,600	-	-	-	12,511	-	14,134	58,245
Capital Outlays	-	-	1,663,477	3,418,126	7,361,721	8,472,752	6,358,434	2,819,749	152,823	3,003,177	33,250,259
Other Outlays	-	-	-	-	-	-	-	-	-	29,872	29,872
Total Expenditures	\$ -	\$ -	\$ 2,495,562	\$ 4,704,119	\$ 8,439,947	\$ 11,152,134	\$ 10,619,457	\$ 4,283,992	\$ 152,823	\$ 4,771,786	\$ 46,619,820
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ -	\$ (2,492,319)	\$ (4,696,927)	\$ (8,378,877)	\$ (11,099,143)	\$ (10,344,718)	\$ (4,258,667)	\$ (152,682)	\$ (4,686,966)	\$ (46,110,299)
Other Financing Sources (Uses)											
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,910,257	\$ 3,910,257
Transfers Out	(2,581,586)	(1,327,951)	-	-	-	-	-	-	-	-	(3,909,537)
Proceeds of Bonds	-	-	-	-	-	-	-	20,000,000	52,000,000	-	72,000,000
Total Other Financing Sources (Uses)	\$ (2,581,586)	\$ (1,327,951)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000,000	\$ 52,000,000	\$ 3,910,257	\$ 72,000,720
Net Change in Fund Balance	\$ (2,581,586)	\$ (1,327,951)	\$ (2,492,319)	\$ (4,696,927)	\$ (8,378,877)	\$ (11,099,143)	\$ (10,344,718)	\$ 15,741,333	\$ 51,847,318	\$ (776,709)	\$ 25,890,421
Beginning Fund Balance	2,581,586	1,327,951	4,128,102	5,880,626	10,957,401	15,160,648	30,786,239	-	-	2,843,197	73,665,750
Ending Fund Balances	\$ -	\$ -	\$ 1,635,783	\$ 1,183,699	\$ 2,578,524	\$ 4,061,505	\$ 20,441,521	\$ 15,741,333	\$ 51,847,318	\$ 2,066,488	\$ 99,556,171

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Combining Statement of Changes in Assets and Liabilities - All Activity Funds  
For the Year Ended June 30, 2021

ASSETS	Balance 6/30/20	Total Receipts	Total Disbursements	Balance 6/30/21
Activities:				
Academic Team	\$ 3,686	\$ 2,061	\$ 2,447	\$ 3,300
Advanced Placement/Enrichment	190,778	261,671	213,076	239,373
Alternative School	8,649	2,611	3,723	7,537
Archery Club	360	0	0	360
Art	44,168	32,882	36,199	40,851
Athletics	419,662	810,263	840,413	389,512
Before/After School Programs	820,613	1,094,579	1,287,184	628,008
Broadcasting Club	1,012	4,245	4,137	1,120
Central Office	25,802	38,017	50,108	13,711
Charitable/Community/Service	30,169	519,760	520,222	29,707
Cheerleading/Pom/Pep	51,483	238,148	220,520	69,111
Chess Club	8,922	238	335	8,825
Concessions/Vending	316,950	200,070	195,894	321,126
Donations/Grants	69,080	126,487	109,930	85,637
Drama/Debate/Speech	32,089	10,951	19,278	23,762
E-Sports	1,670	1,940	1,361	2,249
Ethnic Heritage Clubs	6,198	126	405	5,919
Faculty	11,233	5,206	11,786	4,653
FBLA/DECA	24,952	25,343	29,873	20,422
FCCLA-Family, Career & Community Leaders	19,313	7,941	10,246	17,008
FFA Future Farmers of America	34,231	101,888	88,786	47,333
Foreign Language Clubs	20,290	3,787	3,920	20,157
Freshman Class	5,414	3,995	906	8,503
Games, Enrichment and Community (GEAC)	7	0	0	7
General Activity	357,777	250,962	315,105	293,634
Home Arts/Technology Ed/Wood Tech	43,702	19,372	24,577	38,497
Interest	182,788	8,768	33,810	157,746
Junior Class	132	1,544	1,294	382
Math Club	879	0	825	54
Media Center	111,263	51,038	71,613	90,688
Music	361,588	181,401	214,445	328,544
Musical Productions	54,167	48,274	54,234	48,207
National Forensic League	2,947	7,709	8,149	2,507
National Honor Society	15,581	11,402	14,859	12,124
Newspaper	2,703	80	1,081	1,702
Odyssey of the Mind	2,712	0	0	2,712
Parking	1,656	70,985	69,598	3,043
Payments/Refunds on Account	217,836	241,400	316,474	142,762
Photo Lab	13,605	15,625	22,012	7,218
Prom Fund	148,869	57,015	62,203	143,681
PSAT Counselor	25,668	19,860	19,882	25,646
Refunds	4,190	15,141	16,442	2,889
Robotics Team	7,420	23,451	0	30,871
ROTC	9,110	41,623	44,616	6,117
Scholarships	9,057	1,850	1,800	9,107
Science/Environmental	9,649	1,506	130	11,025
Senior Class	17,538	23,991	29,812	11,717
Sophomore Class	453	750	0	1,203
Special Education	32,788	3,104	9,727	26,165
Special Projects	3,839	6,671	5,761	4,749
Student Council	35,382	24,695	40,259	19,818
Student Tech Protection Plan	0	397,552	396,840	712
Summer School	4,440	54,250	55,980	2,710
Writing	3,919	1,000	200	4,719
Yearbook	215,930	121,411	82,290	255,051
Young Democrats/Republicans/Government	813	263	76	1,000
Total Assets	<u>\$ 4,045,132</u>	<u>\$ 5,194,902</u>	<u>\$ 5,564,843</u>	<u>\$ 3,675,191</u>
<b>FUND BALANCES</b>				
Designated for School Organizations	\$ 4,045,132	\$ 5,194,902	\$ 5,564,843	\$ 3,675,191
<b>Total Fund Balances</b>	<u>\$ 4,045,132</u>	<u>\$ 5,194,902</u>	<u>\$ 5,564,843</u>	<u>\$ 3,675,191</u>

Basis of Presentation

The above schedule and format is required by the Oklahoma State Department of Education and is not intended to represent a financial statement in accordance with accounting principles prescribed by the Oklahoma State Department of Education.



EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Project Number	Balance 6/30/20	Federal Grant Receipts	Federal Grant Expenditures	Balance 6/30/21
<u>U.S. Department of Education</u>						
Direct Programs						
Indian Education, Grants to Local Educational Agencies	84.060	561	\$ (71,712)	\$ 328,714	\$ 305,262	\$ (48,260)
Passed Through Oklahoma Department of Career and Technology Education						
Vocational Education - Basic Grant to States	84.048	421/424	\$ (64,946)	\$ 177,230	\$ 188,063	\$ (75,779)
Passed Through Oklahoma State Department of Education						
Title I, Improving Basic Programs	84.010	511/512/518/785	\$ (651,103)	\$ 2,228,779	\$ 2,018,269	\$ (440,593)
Title I Cluster			\$ (651,103)	\$ 2,228,779	\$ 2,018,269	\$ (440,593)
		613/615/616/				
* Special Education - Grants to States	84.027	621/623/625	\$ (922,420)	\$ 4,484,865	\$ 4,624,074	\$ (1,061,629)
* Special Education - Preschool Grants	84.173	641/642	-	55,147	57,391	(2,244)
Special Education Cluster			\$ (922,420)	\$ 4,540,012	\$ 4,681,465	\$ (1,063,873)
Title II, Part A Teacher and Principal Training and Recruiting Fund	84.367	541	\$ (78,392)	\$ 581,741	\$ 562,435	\$ (59,086)
Part A, English Language Acquisition, Language Enhancement and Academic Achievement	84.365	571/572	\$ (347)	\$ 115,961	\$ 117,333	\$ (1,719)
Student Support and Academic Enrichment	84.424A	551/552	\$ (7,986)	\$ 112,512	\$ 128,588	\$ (24,062)
* COVID 19 ESSERF/CARES Act Coronavirus Aid, Relief, & Economic Security Act	84.425D	788	\$ (90,611)	\$ 1,206,931	\$ 1,550,611	\$ (434,291)
* COVID 19 ESSER II Elementary & Secondary School Emergency Relief	84.425D	793	-	-	4,277,180	(4,277,180)
COVID Relief Cluster			\$ (90,611)	\$ 1,206,931	\$ 5,827,791	\$ (4,711,471)
Passed Through Oklahoma Department of Rehabilitation Services						
Job Training	84.126	456	\$ 39,772	\$ 19,283	\$ 46,742	\$ 12,313
Total U.S. Department of Education			\$ (1,847,745)	\$ 9,311,163	\$ 13,875,948	\$ (6,412,530)
<u>U.S. Department of the Interior</u>						
Direct Programs						
Indian Education - Assistance to Schools						
Johnson O'Malley Program	15.130	563/564	\$ 67,691	\$ -	\$ 19,463	\$ 48,228
<u>U.S. Department of Agriculture</u>						
Passed through the Oklahoma State Department of Education						
Breakfast Program	10.553	764	\$ -	\$ 9,761	\$ 9,761	\$ -
Lunch Program	10.555	763	-	57,986	57,986	-
Summer Food Program	10.559	766	-	4,988,176	4,988,176	-
Child Nutrition Cluster			\$ -	\$ 5,055,923	\$ 5,055,923	\$ -
Passed through the Oklahoma Department of Human Services						
Lunch Program	10.550		\$ 85,672	\$ 5,871	\$ 91,543	\$ -
Summer Food Program	10.559		11,689	505,053	462,915	53,827
Total U.S. Department of Agriculture			\$ 97,361	\$ 5,566,847	\$ 5,610,381	\$ 53,827
Total Expenditures of Federal Awards			\$ (1,682,693)	\$ 14,878,010	\$ 19,505,792	\$ (6,310,475)

See Accompanying Notes to Financial Statements

\*Major Federal Programs

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
Oklahoma County, Oklahoma  
Schedule of Expenditures of Federal Awards (Unaudited)  
For the Year Ended June 30, 2021

**Note A: Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Edmond Independent School District No. 12, Oklahoma County, Oklahoma under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirement of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Award* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Edmond Independent School District No. 12 Oklahoma County, Oklahoma, it is not intended to and does not present the basic financial statements as listed in the table of contents.

**Note B: Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported using the cash basis of accounting. Some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Nonmonetary assistance is reported in the schedule at the fair market value of commodities received.

**Note C: Indirect Cost Rate**

Edmond Independent School District No. 12 Oklahoma County, Oklahoma has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

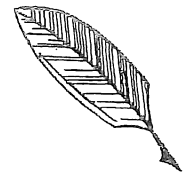
**Note D: Subrecipients**

Edmond Independent School District No. 12 Oklahoma County, Oklahoma did not have any awards that have been passed through to subrecipients.

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

# KERRY JOHN PATTEN, C.P.A.

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Broken Arrow, OK 74012  
Phone Number (918) 250-8838  
FAX Number (918) 250-9853



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

The Honorable Board of Education  
Edmond Independent School District No. 12  
Oklahoma County, Oklahoma

I 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 Edmond Independent School District No. 12, Oklahoma County, Oklahoma (District), as listed in the Table of Contents, 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 my report thereon dated February 1, 2022, which 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, my report was unmodified 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 my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I 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 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.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

### **Purpose of this Report**

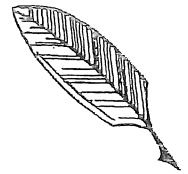
This report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with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



Kerry John Patten, C.P.A.  
Broken Arrow, Oklahoma  
February 1, 2022

## KERRY JOHN PATTEN, C.P.A.

2101 N. Willow Ave.  
Broken Arrow, OK 74012  
Phone Number (918) 250-8838  
FAX Number (918) 250-9853



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### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

The Honorable Board of Education  
Edmond Independent School District No. 12  
Oklahoma County, Oklahoma

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

I have audited Edmond Independent School District No. 12, Oklahoma County, Oklahoma (District's) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the District's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits continued 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that I 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 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 I consider necessary in the circumstances.

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

#### Opinion on Each Major Federal Program

In my opinion, Edmond Independent School District No. 12, 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 Edmond Independent School District No. 12, Oklahoma County, Oklahoma (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 my audit of compliance, I considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over compliance.

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

My 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. I did not identify any deficiencies in internal control over compliance that I considered 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 my testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Kerry John Patten, C.P.A.  
Broken Arrow, Oklahoma  
February 1, 2022

**EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an adverse opinion on the combined financial statements in conformity with accounting principles generally accepted in the United States of America and an unmodified opinion on the combined financial statements in conformity with a regulatory basis of accounting prescribed by the Oklahoma Department of Education.
2. There were no audit findings reported of deficiencies in internal control, which the auditor considers to be "significant deficiencies" as defined in A.I.C.P.A. standards.
3. No instances of noncompliance material to the financial statements of Edmond Independent School District No. 12 which would be required to be reported in accordance with Government Auditing Standards were disclosed during the audit.
4. There were no audit findings reported of deficiencies in internal control over major programs, which the auditor considers to be "significant deficiencies" as defined by A.I.C.P.A. standards.
5. The auditor's report on compliance for the major federal award programs for Edmond Independent School District No. 12 expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to major federal award programs for Edmond Independent School District No. 12 that are required to be reported in accordance with Uniform Guidance.
7. The programs tested as major programs included: COVID 19 - ESSER II/CARES (84.425D), Special Ed Cluster: IDEA B Flow Through (84.027), IDEA B COVID 19 Assistance (84.027), Preschool (84.173).
8. A threshold for distinguishing Types A and B programs was \$750,000.00.
9. Edmond Independent School District No. 12 did not qualify as a low-risk auditee.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

1. No matters were reported.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

1. No matters were reported.



**EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12  
OKLAHOMA COUNTY, OKLAHOMA  
SUMMARY OF PRIOR AUDIT FINDINGS  
JULY 1, 2020 TO JUNE 30, 2021**

The summary of prior audit findings is required to report the status of all audit findings reported in the prior audit's schedule of findings and questioned costs relative to federal awards.

The school district had no prior year audit findings relative to federal award programs.

**EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT**  
**JULY 1, 2020 TO JUNE 30, 2021**

State of Oklahoma)  
County of Tulsa )

The undersigned auditing firm 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 Edmond Independent School District No. 12 for the audit year July 1, 2020 to June 30, 2021.

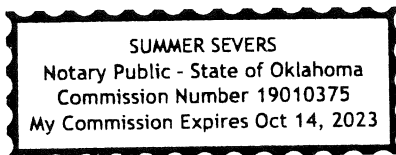
Kerry John Patten, C.P.A.  
AUDITING FIRM

BY

  
AUTHORIZED AGENT

Subscribed and sworn to before me on this

2<sup>nd</sup> day of February, 2022



  
NOTARY PUBLIC

My commission expires on:

14<sup>th</sup> day of October, 2023