

**EL RENO SCHOOL DISTRICT NO. I-34,
Canadian County, Oklahoma**

**BASIC FINANCIAL STATEMENTS
AND REPORTS OF INDEPENDENT AUDITOR**

JUNE 30, 2022

Audited by

WILSON, DOTSON & ASSOCIATES, P.L.L.C.

SHAWNEE, OK

**EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma**

**SCHOOL DISTRICT OFFICIALS
June 30, 2022**

BOARD OF EDUCATION

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Mr. Craig McVay

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma
JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page No.</u>
SCHOOL DISTRICT OFFICIALS	2
TABLE OF CONTENTS	3
INDEPENDENT AUDITOR'S REPORT	4-7
<u>COMBINED FINANCIAL STATEMENTS</u>	
Combined Statement of Assets, Liabilities, and Fund Balances – Regulatory Basis - All Fund Types and Account Groups	8
Combined Statement of Revenues Collected, Expenditures, and Changes in Fund Balances – Regulatory Basis – All Governmental Fund Types	9
Combined Statement of Revenues Collected, Expenditures, and Changes in Fund Balances – Budget and Actual – Regulatory Basis – Budgeted Governmental Fund Types	10-12
Notes to Combined Financial Statements	13-29
<u>OTHER SUPPLEMENTARY INFORMATION:</u>	
<u>Combining Financial Statements</u>	
Combining Statement of Assets, Liabilities, and Fund Balances – Regulatory Basis – All Special Revenue Funds	30
Combining Statement of Revenues Collected, Expenditures, and Changes in Fund Balances – Regulatory Basis – All Special Revenue Funds	31
Combining Statement of Revenues Collected, Expenditures and Changes in Fund Balances – Budget and Actual – Regulatory Basis – All Special Revenue Funds	32-34
Combining Statement of Assets, Liabilities and Fund Balances – Regulatory Basis – All Fiduciary Fund Types	35
Combining Statement of Changes in Assets and Liabilities – Regulatory Basis - Agency Funds	36-38
<u>Supporting Schedules</u>	
Schedule of Expenditures of Federal Awards – Regulatory Basis	39-42
<u>INTERNAL CONTROL AND COMPLIANCE REPORTS</u>	
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 <i>Government Auditing Standards</i>	43-44
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	45-47
<u>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</u>	
Summary of Auditor's Results	48
Findings Related to Financial Reporting	49
Findings Related to Federal Awards Compliance	49
Summary Schedule of Prior Year Audit Findings	50
<u>OTHER OKLAHOMA DEPARTMENT OF EDUCATION REQUIRED INFORMATION</u>	
Schedule of Statutory, Fidelity and Honesty Bonds	51
Schedule of Accountant's Professional Liability Insurance Affidavit	52

WILSON, DOTSON & ASSOCIATES, P.L.L.C.

Certified Public Accountants

Members

American Institute of Certified Public Accountants

Oklahoma Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
El Reno School District No. I-34
Canadian County, Oklahoma

Report on the Audit of the Financial Statements

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of the El Reno School District No. I-34, Canadian County, Oklahoma (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance arising from regulatory basis transactions of each fund type and account group of the District as of June 30, 2022, and the revenues collected, expenditures paid and encumbered, and budgetary results, for the year ended on the regulatory basis of accounting described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2022, or the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Consider whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining statements –regulatory basis and schedule of expenditures of federal awards, 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements – regulatory basis and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the regulatory basis of accounting described in Note 1.

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of statutory, fidelity and honesty bonds and schedule of accountant's professional liability insurance affidavit but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022, on our consideration of the District's internal control over financial reporting

and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wilson, Dotson & Associates

Wilson, Dotson & Associates, PLLC

Shawnee, Oklahoma

December 13, 2022

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - REGULATORY BASIS
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2022

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES	ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TRUST & AGENCY FUNDS	GENERAL LONG-TERM DEBT	
<u>ASSETS</u>							
Cash	\$ 7,322,209	2,412,062	488,040	111,874	855,865	-	11,190,050
Amounts available in debt service	-	-	-	-	-	111,874	111,874
Amounts to be provided for retirement of general long-term debt	-	-	-	-	-	20,337,597	20,337,597
Total Assets	<u>\$ 7,322,209</u>	<u>2,412,062</u>	<u>488,040</u>	<u>111,874</u>	<u>855,865</u>	<u>20,449,471</u>	<u>31,639,521</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities							
Warrants payable	\$ 2,145,580	276,532	3,472	-	36,515	-	2,462,099
Encumbrances	33,695	31,781	9,262	-	7,489	-	82,227
Funds held for school organizations	-	-	-	-	441,884	-	441,884
Long-term debt:							
Bonds payable	-	-	-	-	-	3,290,000	3,290,000
Capital leases	-	-	-	-	-	17,159,471	17,159,471
Total liabilities	<u>2,179,275</u>	<u>308,313</u>	<u>12,734</u>	<u>-</u>	<u>485,888</u>	<u>20,449,471</u>	<u>23,435,681</u>
Fund balances							
Restricted	-	2,103,749	475,306	111,874	369,977	-	3,060,906
Unassigned	5,142,934	-	-	-	-	-	5,142,934
Total fund balances	<u>5,142,934</u>	<u>2,103,749</u>	<u>475,306</u>	<u>111,874</u>	<u>369,977</u>	<u>-</u>	<u>8,203,840</u>
Total Liabilities and Fund Balances	<u>\$ 7,322,209</u>	<u>2,412,062</u>	<u>488,040</u>	<u>111,874</u>	<u>855,865</u>	<u>20,449,471</u>	<u>31,639,521</u>

The notes to the combined financial statements - regulatory basis are an integral part of this statement.

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

**COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES
AND CHANGES IN FUND BALANCES - REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2022**

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	TOTALS
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	EXPENDABLE TRUST	(MEMORANDUM ONLY)
Revenues collected:						
Local sources	\$ 4,071,458	490,168	370	3,253,856	185,667	8,001,519
Intermediate sources	923,443	-	-	-	-	923,443
State sources	18,315,664	558,826	-	2	-	18,874,492
Federal sources	5,593,066	2,161,807	-	-	-	7,754,873
Non-revenue receipts	246,526	1,234	-	494	-	248,254
Total revenues collected	<u>29,150,157</u>	<u>3,212,035</u>	<u>370</u>	<u>3,254,352</u>	<u>185,667</u>	<u>35,802,581</u>
Expenditures:						
Instruction	16,139,179	-	1,748	-	143,357	16,284,284
Support services	11,205,616	455,451	65,022	-	21,362	11,747,451
Operation of non-instruction services	494,818	1,504,349	-	-	-	1,999,167
Facilities acquisition & construction services	78,500	235,663	3,231,991	-	10,190	3,556,344
Other outlays	11,864	236,564	-	3,259,950	-	3,508,378
Total expenditures	<u>27,929,977</u>	<u>2,432,027</u>	<u>3,298,761</u>	<u>3,259,950</u>	<u>174,909</u>	<u>37,095,624</u>
			-			
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	1,220,180	780,008	(3,298,391)	(5,598)	10,758	(1,293,043)
Adjustments to prior year encumbrances	9,428	2,753	-	-	-	12,181
Other financing sources (uses)						
Bond sales proceeds	<u>-</u>	<u>-</u>	<u>3,292,600</u>	<u>-</u>	<u>-</u>	<u>3,292,600</u>
Excess of revenues collected over (under) expenditures and other financing sources (uses)	1,229,608	782,761	(5,791)	(5,598)	10,758	2,011,738
Fund balances, beginning of year	<u>3,913,326</u>	<u>1,320,988</u>	<u>481,097</u>	<u>117,472</u>	<u>359,219</u>	<u>6,192,102</u>
Fund balances, end of year	<u>\$ 5,142,934</u>	<u>2,103,749</u>	<u>475,306</u>	<u>111,874</u>	<u>369,977</u>	<u>8,203,840</u>

The notes to the combined financial statements - regulatory basis are an integral part of this statement.

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

**COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2022**

	GENERAL FUND			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues collected:				
Local sources	\$ 3,737,000	3,737,000	4,071,458	334,458
Intermediate sources	827,060	827,060	923,443	96,383
State sources	16,569,148	16,569,148	18,315,664	1,746,516
Federal sources	11,984,020	11,984,020	5,593,066	(6,390,954)
Non-revenue receipts	8,000	8,000	246,526	238,526
Total revenues collected	<u>33,125,228</u>	<u>33,125,228</u>	<u>29,150,157</u>	<u>(3,975,071)</u>
Expenditures:				
Instruction	15,000,000	22,665,013	16,139,179	6,525,834
Support services	19,273,554	13,301,942	11,205,616	2,096,326
Operation of non-instruction services	900,000	897,437	494,818	402,619
Facilities acquisition & construction services	1,575,000	80,000	78,500	1,500
Other outlays	235,000	94,162	11,864	82,298
Repayments	55,000	-	-	-
Total expenditures	<u>37,038,554</u>	<u>37,038,554</u>	<u>27,929,977</u>	<u>9,108,577</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(3,913,326)	(3,913,326)	1,220,180	5,133,506
Adjustments to prior year encumbrances	<u>-</u>	<u>-</u>	<u>9,428</u>	<u>9,428</u>
Excess of revenues collected over (under) expenditures	(3,913,326)	(3,913,326)	1,229,608	5,142,934
Fund balance, beginning of year	<u>3,913,326</u>	<u>3,913,326</u>	<u>3,913,326</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>5,142,934</u>	<u>5,142,934</u>

The notes to the combined financial statements - regulatory basis are an integral part of this statement.

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

**COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2022**

	SPECIAL REVENUE FUNDS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues collected:				
Local sources	\$ 444,397	444,397	490,168	45,771
State sources	240,159	241,350	558,826	317,476
Federal sources	1,046,014	1,674,412	2,161,807	487,395
Non-revenue receipts	-	-	1,234	1,234
Total revenues collected	1,730,570	2,360,159	3,212,035	851,876
Expenditures:				
Instruction	5,000	-	-	-
Support services	701,460	742,377	455,451	286,926
Operation of non-instruction services	1,592,998	1,930,496	1,504,349	426,147
Facilities acquisition & construction services	735,000	701,274	235,663	465,611
Other outlays	8,000	307,000	236,564	70,436
Repayments	9,100	-	-	-
Total expenditures	3,051,558	3,681,147	2,432,027	1,249,120
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(1,320,988)	(1,320,988)	780,008	2,100,996
Adjustments to prior year encumbrances	-	-	2,753	2,753
Excess of revenues collected over (under) expenditures	(1,320,988)	(1,320,988)	782,761	2,103,749
Fund balance, beginning of year	1,320,988	1,320,988	1,320,988	-
Fund balance, end of year	\$ -	-	2,103,749	2,103,749

The notes to the combined financial statements - regulatory basis are an integral part of this statement.

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

**COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2022**

	SINKING FUND			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues collected:				
Local sources	\$ 3,142,478	3,142,478	3,253,856	111,378
State sources	-	-	2	2
Non-revenue receipts	-	-	494	494
Total revenues collected	<u>3,142,478</u>	<u>3,142,478</u>	<u>3,254,352</u>	<u>111,874</u>
Expenditures:				
Other outlays	<u>3,259,950</u>	<u>3,259,950</u>	<u>3,259,950</u>	<u>-</u>
Excess of revenues collected over (under) expenditures	(117,472)	(117,472)	(5,598)	111,874
Fund balance, beginning of year	<u>117,472</u>	<u>117,472</u>	<u>117,472</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>111,874</u>	<u>111,874</u>

The notes to the combined financial statements - regulatory basis are an integral part of this statement.

**EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the El Reno School District Number I-34, El Reno, Canadian County, Oklahoma (the "District") conform to the regulatory basis of accounting, which is an other comprehensive basis of accounting prescribed by the Oklahoma State Department of Education and conforms to the system of accounting authorized by the State of Oklahoma. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The District's accounting policies are described in the following notes that are an integral part of the District's financial statements.

A. Reporting Entity

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

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

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

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus

The accounts of the District are organized and operate on the basis of funds and account groups. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The account groups are reporting devices to account for certain assets and liabilities of the governmental funds not recorded directly in other funds.

The District has the following fund types and account groups:

Governmental funds – are used to account for most of the District's general activities and general long-term debt account group, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental type funds are accounted for using the Regulatory (Statutory) basis of accounting. All revenues from all sources, including property taxes, entitlements, grants, and shared revenues are recognized when they are received rather than earned.

Expenditures are generally recognized when encumbered or reserved rather than at the time the related liability is incurred. Unmatured interest for debt service is recognized when due and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. Fiduciary type funds are accounted for using the cash basis of accounting. These practices differ from generally accepted accounting principles.

Governmental funds include the following fund types:

General fund – is the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This is a budgeted fund, and any fund balances are considered as resources available for use. Major revenue sources include local property taxes and federal and state funding. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction, and debt service on bonds and other long-term debt. The General Fund also accounts for federal and state financed programs where restricted monies must be expended for specific programs. Project accounting is employed to maintain integrity for the various sources of these funds.

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus – cont'd

Special Revenue funds – account for revenue sources that are restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The special revenue funds are composed of the District's Building Fund and Child Nutrition Fund. These are budgeted funds and any fund balances are considered as resources available for use.

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

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

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

Debt Service fund – consists of the District's Sinking fund and accounts for the accumulation of financial resources for servicing of general long-term debt (principal, interest and related costs). This is a budgeted fund. The primary revenue sources are local property taxes levied specifically for debt service.

Capital Projects fund – consists of the District's Bond funds and accounts for the proceeds of bonds sales used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and the acquisition of transportation equipment.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. The terms "nonexpendable" and "expendable" refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus – cont'd

assets that the District holds on behalf of others as their agent and do not involve measurement of results of operation.

Expendable Trust Funds - Expendable trust funds include the gifts fund and the casualty and flood insurance fund.

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

Casualty/Flood Insurance Fund - The casualty and flood insurance fund accounts for all types of insurance recoveries, major reimbursements and reserves for property repairs and replacements.

Agency fund – is custodial in nature and does not present results of operations or has a measurement focus. Agency funds are accounted for using the cash basis of accounting. This fund is the School Activities Fund used to account for monies collected principally through fundraising efforts of the students and District-sponsored groups. This is an unbudgeted fund. The administration is responsible, under the authority of the Board, of collecting, disbursing and accounting for these activity funds. These funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operation of the District.

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

General Long-term Debt Account Group – is used to account for the outstanding principal balances of all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal.

C. Basis of Accounting and Presentation

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

**EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

C. Basis of Accounting and Presentation – cont'd

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

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

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

D. Assets, Liabilities, Fund Balances, Revenue and Expenditures

1. Deposits and Investments

State statutes govern the District's investment policy. 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. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. Investments are stated at cost. The School District invests entirely in certificates of deposit, U. S. Treasury Securities, and participates in the Secured Investment Program of Oklahoma State School Boards Association, as authorized by Oklahoma Statutes Title 62, Section 348.

2. Fair Value of Financial Instruments

The District's financial instruments include cash and investments. The District's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

**EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

D. Assets, Liabilities, Fund Balances, Revenue and Expenditures – cont'd

3. Estimates

The preparation of financial statements in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

4. Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers.

5. Inventories

Inventories consist of minimal amounts of expendable supplies held for consumption. The value of consumable inventories at year-end is not material to the District's financial statements. The cost of inventories are recorded as expenditures when encumbered and purchased rather than when consumed.

6. Fixed Assets

The regulatory basis of accounting prescribed by the Oklahoma State Board of Education requires the presentation of fixed assets. The District has not maintained a record of its fixed assets, and, accordingly, a statement of fixed assets required by generally accepted accounting principles prior to the issuance of GASB No. 34, is not included in the financial statements. Fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

7. Compensated Absences

The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. District policy allows certified employees to accumulate such days to a maximum number of days. None of the benefits are payable upon retirement or death. Accrued vacation and sick leave benefits are not reflected in the financial statements because such statements are prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

D. Assets, Liabilities, Fund Balances, Revenue and Expenditures – cont'd

8. Long-term Obligations

The District reports long-term debt at face value in the general long-term debt account group. Certain other lease obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

9. Fund Balance Classifications

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

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

Restricted Fund Balance – The fund balance should be reported as restricted when constraints placed on the use of resources are either:

- Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- Imposed by law through constitutional provisions or enabling legislation.

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

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

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

D. Assets, Liabilities, Fund Balances, Revenue and Expenditures – cont'd

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

10. Property Taxes and Other Local 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. Property taxes are levied on November 1 and are due on receipt of the tax bill. 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 2. Second half taxes become delinquent on April 1 of the year following the assessment. If not paid by the following October 1, the property is offered for sale for the amount of the 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. No provision has been made for uncollected taxes, as all taxes are deemed collectible. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

11. Intermediate Revenues

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

12. State Revenues

Revenues from state sources for current operations are primarily governed by state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

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

**EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

D. Assets, Liabilities, Fund Balances, Revenue and Expenditures – cont'd

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.

13. Federal Revenues

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

14. Instruction Expenditures

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

15. Support Services Expenditures

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

16. Operation of Non-Instructional Services Expenditures

These expenditures are activities concerned with providing non-instructional services to students, staff or the community.

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

D. Assets, Liabilities, Fund Balances, Revenue and Expenditures – cont'd

17. Facilities Acquisition and Construction Services Expenditures

These expenditures consist of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.

18. Other Outlays Expenditures

A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest) and certain transfers of monies from one fund to another.

19. Other Uses Expenditures

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

20. Repayment Expenditures

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

21. Non-Monetary Transactions

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

22. Memorandum Only – Total Columns

Total columns on the combined financial statements are captioned “memorandum only” because they do not represent consolidated financial information and are presented only to facilitate analysis. The columns do not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Inter-fund eliminations have not been made in the aggregation of this data.

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

D. Assets, Liabilities, Fund Balances, Revenue and Expenditures – cont'd

23. Resource Use Policy

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The District is required by state law to prepare an annual budget. Under current Oklahoma Statutes, a formal Estimate of Needs (Budget) is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories. The annual Estimate of Needs, when approved by the Board and subsequently filed with the County Clerk and approved by the County Excise Board becomes the legal budget. Supplemental appropriations, if required, were made during the year and are reflected on the budget vs. actual presentations shown as original budget and final budget.

A budget is legally adopted by the Board of Education for all governmental funds that include revenues and expenditures.

The 2021-22 Estimate of Needs was amended by the following supplemental appropriations:

Fund	Supplemental Appropriations	Original Appropriations	Final Appropriations
Co-op Fund	\$ 1,191	22,809	24,000
Child Nutrition Fund	628,398	1,604,098	2,232,496
Gifts	54,350	171,684	226,034

These amendments were approved by the Canadian County Clerk and Excise Board.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund - is utilized in all governmental funds of the District. Unencumbered appropriations lapse at the end of each fiscal year.

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022

3. DETAILED NOTES CONCERNING THE FUNDS

A. Deposits and Investments

Custodial Credit Risk

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

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

At June 30, 2022 the District held deposits of approximately \$11,190,050 at financial institutions. The District's cash deposits, including interest-bearing accounts, and investments were covered by Federal Depository Insurance (FDIC) and direct obligations of the U.S. Government insured or collateralized with securities held by the District or by its agent in the District's name.

Investment Credit Risk

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

1. Direct obligations of the U.S. government, its agencies and instrumentalities to which the full faith and credit of the U.S. government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
2. Certificates of deposit of banks when such certificates of deposits are secured by acceptable collateral for the deposit of public monies.
3. Savings accounts or saving certificates to the extent that such accounts or certificates are fully insured by the United States government.
4. Repurchase agreements that have underlying collateral including obligations of the United States government, its agencies and instrumentalities, or the State of Oklahoma.
5. County, municipal or school district debt obligations for which an ad valorem tax may be levied.
6. Money market funds regulated by the SEC and in which investments consist of the investments of obligations of the United States, its agencies and instrumentalities.

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022

3. DETAILED NOTES CONCERNING THE FUNDS – cont'd

A. Deposits and Investments – cont'd

7. Warrants, bonds or judgments of the school district.
8. Qualified pooled investment programs through an interlocal cooperative agreement formed pursuant to applicable law and to which the board of education has voted to be a member, the investments of which consist of those items specified in paragraphs 1 through 7 above, as well as obligations of the United States agencies and instrumentalities.
9. Any other investment that is authorized by law.

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District has no formal policy limiting investments based on credit rating. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

The District had no investment credit risk as of June 30, 2022, as defined above.

Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District had no investment interest rate risk as defined above.

Concentration of Investment Credit Risk

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

At June 30, 2022, the District had 100% of its investments in certificates of deposit.

B. Long-term Debt

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue. Debt Service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund. The District also has two (2) capital leases.

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022

3. DETAILED NOTES CONCERNING THE FUNDS – cont'd

B. Long-term Debt – cont'd

On July 1, 2021, the District issued building bonds in the amount of \$3,290,000 with an interest rate of .40%. The only bond will mature July 1, 2023.

The District has entered into lease agreements as lessee for financing improvements to the District and construction projects. These lease agreements qualify as capital leases for accounting purposes since the titles transfer at the end of the lease terms. These leases contain a clause which gives the District the ability to terminate the lease agreements at the end of each fiscal year.

Lease purchase for various construction projects, original issue \$33,050,000, dated May 1, 2013, with an interest rate of 4.00%, due in varying principal and interest payments beginning August 15, 2014, with the final payment due August 15, 2025.

Lease purchase for the primary purpose of installing a new turf field at Memorial Stadium, original issue \$1,000,000, with an interest rate of 3.50%, due in annual principal and interest payments of \$121,100 beginning June 30, 2022, with the final payment due June 30, 2031.

Annual debt service requirements to maturity are as follows:

Year Ended June 30,	Building Bonds and Capital Leases		Total Requirements
	Principal	Interest	
2023	\$ 3,028,461	456,639	3,485,100
2024	6,535,254	403,166	6,938,420
2025	3,472,895	291,205	3,764,100
2026	6,872,428	199,672	7,072,100
2027	101,720	19,380	121,100
2027-2031	438,713	40,167	478,880
Total	<u>\$ 20,449,471</u>	<u>1,410,229</u>	<u>21,859,700</u>

Interest paid on general long-term debt during the current year totaled \$625,037.

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022

3. DETAILED NOTES CONCERNING THE FUNDS – cont'd

C. Changes in General Long-term Debt

General long-term debt consists of building bonds and capital leases payable. The following is a summary of the changes in general long-term debt transactions of the District for the fiscal year:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Bonds	\$ 3,165,000	3,290,000	3,165,000	3,290,000
Capital leases	19,982,475	-	2,823,004	17,159,471
Totals	\$ 23,147,475	3,290,000	5,988,004	20,449,471

4. OTHER INFORMATION

A. Risk Management

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

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

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022

4. OTHER INFORMATION – cont'd

B. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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.

C. Non-Monetary Transactions

The fair market value as determined by the Oklahoma Department of Human Services of the commodities received during the period under audit was \$113,754.

D. Employee Retirement System and Plan

Description of Plan

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

Basis of Accounting

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

**EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2022**

4. OTHER INFORMATION – cont'd

D. Employee Retirement System and Plan – cont'd

Funding Policy

The District, the State of Oklahoma, and the participating employees make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.00% of covered compensation. Additionally, OTRS receives "federal matching contributions" for positions whose funding comes from federal sources or certain grants. The matching contribution rate was 7.90%. Contributions received by the System from the State of Oklahoma are from 3.50% of its revenues from sales taxes, use taxes, corporate income taxes and individual income taxes. The District's employer contribution rate was 9.50%. The District is allowed by the Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members.

Annual Pension Cost

The District's total contributions, including the state offset, for 2022, 2021, and 2020 were \$2,857,068, \$2,559,000, and \$2,533,651, respectively.

E. SUBSEQUENT EVENTS

The District sold \$3,420,000 in building bonds on May 6, 2022. These bonds were part of the \$44,835,000 in building bonds that were approved at the election held on January 8, 2013. The \$3,420,000 in building bonds will be dated July 1, 2022.

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2022

	<u>BUILDING FUND</u>	<u>CO-OP FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>				
Cash	<u>\$ 1,416,585</u>	<u>1,990</u>	<u>993,487</u>	<u>2,412,062</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Warrants payable	\$ 150,957	1,990	123,585	276,532
Encumbrances	<u>31,781</u>	<u>-</u>	<u>-</u>	<u>31,781</u>
Total liabilities	<u>182,738</u>	<u>1,990</u>	<u>123,585</u>	<u>308,313</u>
 Fund balances				
Restricted	<u>1,233,847</u>	<u>-</u>	<u>869,902</u>	<u>2,103,749</u>
 Total Liabilities and Fund Balances	<u>\$ 1,416,585</u>	<u>1,990</u>	<u>993,487</u>	<u>2,412,062</u>

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

**COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES IN
FUND BALANCES - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>BUILDING FUND</u>	<u>CO-OP FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTAL</u>
Revenues collected:				
Local sources	\$ 460,663	-	29,505	490,168
State sources	319,173	24,000	215,653	558,826
Federal sources	113,172	-	2,048,635	2,161,807
Non-revenue receipts	<u>-</u>	<u>-</u>	<u>1,234</u>	<u>1,234</u>
Total revenues collected	<u>893,008</u>	<u>24,000</u>	<u>2,295,027</u>	<u>3,212,035</u>
Expenditures:				
Support services	431,451	24,000	-	455,451
Operation of non-instruction services	-	-	1,504,349	1,504,349
Facilities acquisition & construction services	235,663	-	-	235,663
Other outlays	<u>-</u>	<u>-</u>	<u>236,564</u>	<u>236,564</u>
Total expenditures	<u>667,114</u>	<u>24,000</u>	<u>1,740,913</u>	<u>2,432,027</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	225,894	-	554,114	780,008
Adjustments to prior year encumbrances	<u>2,732</u>	<u>-</u>	<u>21</u>	<u>2,753</u>
Excess of revenues collected over (under) expenditures	228,626	-	554,135	782,761
Fund balances, beginning of year	<u>1,005,221</u>	<u>-</u>	<u>315,767</u>	<u>1,320,988</u>
Fund balances, end of year	<u>\$ 1,233,847</u>	<u>-</u>	<u>869,902</u>	<u>2,103,749</u>

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

**COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	BUILDING FUND			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues collected:				
Local sources	\$ 419,430	419,430	460,663	41,233
State sources	-	-	319,173	319,173
Federal sources	-	-	113,172	113,172
Total revenues collected	<u>419,430</u>	<u>419,430</u>	<u>893,008</u>	<u>473,578</u>
Expenditures:				
Instruction	5,000	-	-	-
Support services	678,651	718,377	431,451	286,926
Facilities acquisition & construction services	735,000	701,274	235,663	465,611
Other outlays	-	5,000	-	5,000
Repayments	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,424,651</u>	<u>1,424,651</u>	<u>667,114</u>	<u>757,537</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(1,005,221)	(1,005,221)	225,894	1,231,115
Adjustments to prior year encumbrances	<u>-</u>	<u>-</u>	<u>2,732</u>	<u>2,732</u>
Excess of revenues collected over (under) expenditures	(1,005,221)	(1,005,221)	228,626	1,233,847
Fund balance, beginning of year	<u>1,005,221</u>	<u>1,005,221</u>	<u>1,005,221</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>1,233,847</u>	<u>1,233,847</u>

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

**COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	CO-OP FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
Revenues collected:				
State sources	\$ 22,809	24,000	24,000	-
Expenditures:				
Support services	22,809	24,000	24,000	-
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	-	-	-	-
Adjustments to prior year encumbrances	-	-	-	-
Excess of revenues collected over (under) expenditures	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	-	-	-

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

**COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	CHILD NUTRITION FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
Revenues collected:				
Local sources	\$ 24,967	24,967	29,505	4,538
State sources	217,350	217,350	215,653	(1,697)
Federal sources	1,046,014	1,674,412	2,048,635	374,223
Non-revenue receipts	-	-	1,234	1,234
Total revenues collected	<u>1,288,331</u>	<u>1,916,729</u>	<u>2,295,027</u>	<u>378,298</u>
Expenditures:				
Operation of non-instruction services	1,592,998	1,930,496	1,504,349	426,147
Other outlays	8,000	302,000	236,564	65,436
Repayments	3,100	-	-	-
Total expenditures	<u>1,604,098</u>	<u>2,232,496</u>	<u>1,740,913</u>	<u>491,583</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(315,767)	(315,767)	554,114	869,881
Adjustments to prior year encumbrances	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
Excess of revenues collected over (under) expenditures	(315,767)	(315,767)	554,135	869,902
Fund balance, beginning of year	<u>315,767</u>	<u>315,767</u>	<u>315,767</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>869,902</u>	<u>869,902</u>

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
REGULATORY BASIS - ALL FIDUCIARY FUND TYPES
JUNE 30, 2022

	<u>EXPENDABLE TRUST FUNDS</u>		<u>AGENCY FUND</u>	
	<u>GIFTS FUND</u>	<u>CASUALTY/ FLOOD INS. FUND</u>	<u>ACTIVITY FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>				
Cash	<u>\$ 183,978</u>	<u>230,003</u>	<u>441,884</u>	<u>855,865</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Warrants payable	\$ 36,515	-	-	36,515
Encumbrances	7,489	-	-	7,489
Funds held for school organizations	-	-	441,884	441,884
Total liabilities	<u>44,004</u>	<u>-</u>	<u>441,884</u>	<u>485,888</u>
 Fund balances				
Restricted	<u>139,974</u>	<u>230,003</u>	<u>-</u>	<u>369,977</u>
 Total Liabilities and Fund Balances	<u>\$ 183,978</u>	<u>230,003</u>	<u>441,884</u>	<u>855,865</u>

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

<u>ASSETS</u>	<u>BALANCE</u> <u>7-01-21</u>	<u>ADDITIONS</u>	<u>ADJUST./</u> <u>TRANSFERS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>6-30-22</u>
Cash	<u>\$ 414,808</u>	<u>813,359</u>	<u>-</u>	<u>786,283</u>	<u>441,884</u>
 <u>LIABILITIES</u>					
Funds held for school organizations:					
Athletics	\$ 54,329	150,185	370	148,316	56,568
Foreign Language Club	3,765	1,233	-	1,234	3,764
Band Fund	707	1,082	-	738	1,051
RMS Relay For Life	1,116	-	-	-	1,116
Athletic Girls Basketball	8,684	33,776	(427)	35,648	6,385
El Reno Softball	4,959	21,804	600	19,200	8,163
ED Cheer	821	2,560	-	1,974	1,407
JR Class	9,553	12,360	40	4,526	17,427
Clearing Account	-	6,905	-	6,905	-
EHS History Club	1,594	-	-	-	1,594
EHS Honor Society	698	1,722	-	1,225	1,195
Operetta	6,872	740	(750)	2,348	4,514
SR Class	17,493	23,670	(80)	21,030	20,053
Indian Club	2,278	-	-	-	2,278
Reel Roblyer Production	24	-	-	-	24
JH Football	293	-	-	-	293
Drama	2,055	2,603	600	3,050	2,208
Band Uniform Account	2,378	4,190	(376)	3,476	2,716
Boomer/Yearbook/Journalism	9,111	3,793	(55)	4,958	7,891
EDJH Yearbook	1,164	750	-	753	1,161
EHS Student Council	2,751	20,520	627	16,940	6,958
EOI Reward Day Fund	224	-	-	164	60
EHS FCCLA	1,087	-	-	-	1,087
Robotics	954	-	-	385	569
FFA	15,904	119,066	(500)	120,353	14,117
CRT Reward Day Fund	6	-	-	-	6
Business Honor Society	1	-	-	-	1
Gifts To Yanks	15,011	9,625	898	8,680	16,854
ER Football	241	-	-	121	120
Wrestling Club	1,398	10,450	-	9,708	2,140
ER Tennis	26	-	-	-	26
EHS FCA	278	-	-	155	123
ED FCCLA	4,281	527	-	1,124	3,684

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

<u>LIABILITIES - cont'd</u>	<u>BALANCE</u> <u>7-01-21</u>	<u>ADDITIONS</u>	<u>ADJUST./</u> <u>TRANSFERS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>6-30-22</u>
ER Baseball	\$ 29,359	30,108	(200)	34,125	25,142
ED Care Closet	552	-	-	-	552
ER Track/Cross Country	1,399	-	-	-	1,399
Strength and Conditioning	-	1,258	-	1,071	187
Pride Boosters	35,595	85,085	376	98,775	22,281
Sophomore Class	709	105	-	142	672
FTA	378	-	-	-	378
ER Boys Basketball	1,688	4,610	200	2,030	4,468
Repo Acct	5,197	21,748	(48)	15,156	11,741
EHS Relay for Life	59	-	-	-	59
ER Golf Team	6,421	5,065	(2,157)	7,360	1,969
EHS Pom Team	11,075	14,035	-	12,964	12,146
EHS Library Copier	263	22	-	45	240
Freshman Class	729	360	-	318	771
Biographies of EHS	4,271	-	(45)	-	4,226
Art Club	6,519	12,434	-	7,255	11,698
Girls Soccer	5,916	1,010	-	4,074	2,852
Boys Soccer	3,975	14,829	-	12,840	5,964
JH Baseball	575	-	-	-	575
Instrumental Rental Fee	740	1,230	-	1,900	70
Employee Courtesy	2,450	-	-	-	2,450
Aerospace Engineering Club	-	827	-	695	132
Mentor Program	6,376	20	-	1,756	4,640
ED Student Council	228	-	-	-	228
Central Office Fund	682	1,236	-	597	1,321
FFA/Leadership	336	34,967	-	32,890	2,413
El Reno Care/Share	13,003	21,500	(130)	15,703	18,670
Archery	79	-	-	-	79
EDJH Campus Acct.	5,013	4,216	(150)	1,939	7,140
Building Alumni	241	-	-	-	241
District Curriculum	561	-	-	-	561
EHS Student Project	1,002	-	40	-	1,042
HS SPED	2,934	1,249	-	2,446	1,737
Testing	1,681	1,598	-	1,821	1,458
JR Class Equipment	284	-	-	-	284
Hillcrest Library	2,257	4,812	-	4,612	2,457
LLC Library	585	5,169	-	4,711	1,043
Girls Golf	-	300	1,587	-	1,887
LLC SPED	1	3,031	-	161	2,871
LLC Principal	29,105	44,896	-	38,070	35,931

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

<u>LIABILITIES - cont'd</u>	<u>BALANCE</u> <u>7-01-21</u>	<u>ADDITIONS</u>	<u>ADJUST./</u> <u>TRANSFERS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>6-30-22</u>
EHS Speech/Mock Trial	\$ 75	-	-	-	75
PEP Grant	86	-	-	-	86
Honor Choir	3,829	7,133	-	8,468	2,494
Rose Witcher Library	5,980	9,724	-	8,465	7,239
Special Olympics	2,542	560	-	-	3,102
EHS Academic	1,063	2,764	-	2,437	1,390
RMS Spirit Club	185	-	-	-	185
RMS Student Council	2,880	3,695	-	4,128	2,447
ED Honor Society	21	-	-	-	21
First Steps	3,673	1,600	-	1,391	3,882
RLC Account	14,506	11,650	(120)	10,884	15,152
EHS Principal Acct	1,756	2,462	(200)	2,582	1,436
Hillcrest Principal Account	4,030	5,417	-	5,620	3,827
Hillcrest SPED	2,239	2,746	-	3,826	1,159
El Reno Learning Center	3,913	1,224	300	1,155	4,282
Rose Witcher Principal	10,770	14,842	-	13,856	11,756
Rose Witcher SPED	488	-	-	-	488
EDJH Staff Appreciation Fund	20	-	-	-	20
CNP JR High Vending	498	2,936	-	970	2,464
Club Scrub	20	-	-	-	20
EHS Heritage Club	274	-	-	-	274
JR High Volleyball	3,666	3,325	(400)	6,034	557
TOTAL LIABILITIES	<u>\$ 414,808</u>	<u>813,359</u>	<u>-</u>	<u>786,283</u>	<u>441,884</u>

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Balance at July 1, 2021</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance at June 30, 2022</u>
<u>U.S. Department of Education:</u>							
<u>Direct Programs:</u>							
Title VIII, Impact Aid	84.041	591	\$ -	250,305	265,181	272,659	242,827
Title VIII, Impact Aid	84.041	592	-	-	38,567	38,567	-
Title VIA, Indian Education	84.060A	561	127,300	-	82,543	127,300	-
Title VIA, Indian Education 2020-21 - Note 1	84.060A	799	-	-	52,603	-	-
Sub Total			<u>127,300</u>	<u>250,305</u>	<u>438,894</u>	<u>438,526</u>	<u>242,827</u>
<u>Passed Through Oklahoma State Department of Education:</u>							
Title I	84.010	511	1,124,233	-	824,029	1,105,884	18,349
Title I 2020-21 - Note 1	84.010	799	-	-	202,806	-	-
Title IA, Neglected	84.010	518	3,729	-	2,479	3,729	-
Title IA, Neglected 2020-21 - Note 1	84.010	799	-	-	256	-	-
Title ID, Delinquent	84.013	532	45,670	-	25,585	36,735	8,935
Title ID, Delinquent 2020-21 - Note 1	84.013	799	-	-	6,277	-	-
Title IE, Striving Readers Cmprhnsv Literacy 2020-21 - Note 1	84.371	799	-	-	1,591	-	-
Title I Cluster			<u>1,173,632</u>	<u>-</u>	<u>1,063,023</u>	<u>1,146,348</u>	<u>27,284</u>
IDEA-B Discretionary Professional Development - OSDE	84.027	613	5,550	-	5,275	5,275	275
IDEA-B Discretionary Professional Development - District	84.027	615	10,672	-	6,993	6,993	3,679
IDEA-B Flow Through	84.027	621	619,856	-	407,306	582,957	36,899
IDEA-B Flow Through 2020-21 - Note 1	84.027	799	-	-	64,440	-	-
IDEA-B Flow Through Private Schools	84.027	625	8,506	-	5,671	8,506	-
American Rescue Plan IDEA-B Flow Through	84.027X	628	150,143	-	148,194	148,194	1,949
American Rescue Plan IDEA-B Flow Through Private Schools	84.027X	629	2,133	-	2,000	2,000	133
American Rescue Plan IDEA-B Preschool	84.027X	643	8,517	-	7,350	7,350	1,167
American Rescue Plan IDEA-B Preschool Private School	84.027X	644	123	-	-	-	123
IDEA-B Preschool	84.173	641	18,661	-	18,661	18,661	-
IDEA-B Preschool Private School	84.173	642	269	-	269	269	-
Special Education Cluster			<u>824,430</u>	<u>-</u>	<u>666,159</u>	<u>780,205</u>	<u>44,225</u>

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Balance at July 1, 2021</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance at June 30, 2022</u>
<u>Passed Through Oklahoma State Department of Education:</u>							
21st Century Community Learning Centers	84.287	553	\$ 345,000	-	192,494	265,061	79,939
21st Century Community Learning Centers 2020-21 - Note 1	84.287	799	-	-	132,538	-	-
Oklahoma Future Native Leaders Project	84.299A	713	107,500	-	-	107,086	414
Oklahoma Future Native Leaders Project 2020-21 carryover	84.299A	713	100,623	11,672	6,364	6,364	5,308
Oklahoma Future Native Leaders Project 2020-21 - Note 1	84.299A	799	-	-	23,031	-	-
Title IIIA, Immigration Education Act	94.365	571	793	-	25	25	768
Title IIIA, English Language Acquisition, Language Enhancement, and Academic Achievement	84.365	572	35,798	-	14,986	30,507	5,291
Title IIIA, English Language Acquisition, Language Enhancement, and Academic Achievement 2020-21 - Note 1	84.365	799	-	-	5,415	-	-
Title IIA, Teacher/Principal Training/Recruitment	84.367	541	53,790	-	22,649	32,518	21,272
Title IIA, Teacher/Principal Training/Recruitment 2020-21 - Note 1	84.367	799	-	-	9,659	-	-
Title V, Part B Rural and Low Income Schools	84.358B	587	72,954	-	69,201	69,201	3,753
COVID-19 ESSER II Formula Funding *	84.425D	793	2,527,609	-	1,702,377	1,751,427	776,182
COVID-19 ESSER II Formula Funding 2020-21 - Note 1	84.425D	799	-	-	403,135	-	-
American Rescue Plan School Counselor Corps Grant *	84.425U	722	96,000	-	86,751	95,999	1
American Rescue Plan ESSER III *	84.425U	795	6,586,725	-	823,798	1,637,859	4,948,866
American Rescue Plan ESSER III - Homeless II	84.425U	797	23,632	-	-	-	23,632
<u>Passed Through Oklahoma Department of Career and Technology Education:</u>							
Carl Perkins Grant	84.048	421	38,470	-	38,470	38,470	-
Sub Total			9,988,894	11,672	3,530,893	4,034,517	5,865,426
Total U.S. Department of Education			<u>12,114,256</u>	<u>261,977</u>	<u>5,698,969</u>	<u>6,399,596</u>	<u>6,179,762</u>

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Balance at July 1, 2021</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance at June 30, 2022</u>
<u>U.S. Department of Agriculture:</u>							
Passed Through Oklahoma State Department of Education:							
School Breakfast Program	10.553	764	\$ -	59,815	574,582	273,633	360,764
Commodity Credit Corporation	10.555	759	-	-	60,823	31,264	29,559
Emergency Operational Costs Reimbursement (SBP & NSLP)	10.555	762	-	-	32,086	32,086	-
National School Lunch Program	10.555	763	-	22,872	1,378,080	1,041,172	359,780
National School Lunch Program - Commodities - Note 4	10.555		-	-	113,754	113,754	-
Emergency Operational Costs Reimbursement - Child and Adult Care Food Program	10.558	761	-	-	437	437	-
Child and Adult Food Care Program	10.558	769	-	88,278	6,833	95,111	-
Summer Food Service Program	10.559	766	-	33,094	-	-	33,094
P-EBT Program	10.649	760	-	-	3,063	3,063	-
Total Child Nutrition Cluster			-	204,059	2,169,658	1,590,520	783,197
Total U.S Department of Agriculture			-	204,059	2,169,658	1,590,520	783,197
<u>Department of Civil Emergency Management:</u>							
Passed Through Oklahoma State Department of Emergency Management:							
FEMA	97.036	594	-	85,359	-	85,359	-
Total Department of Civil Emergency Management			-	85,359	-	85,359	-
Total Expenditures of Federal Awards			\$ 12,114,256	551,395	7,868,627	8,075,475	6,962,959

**EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: These amounts represent reimbursements for prior year expenditures which were not received until the current fiscal year.

Note 2: **Basis of Presentation** - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended and does not present the financial position, changes in net assets, or cash flows of the District.

Note 3: **Summary of Significant Accounting Policies** - Expenditures reported on the Schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements, except for nonmonetary assistance noted in Note 4. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 4: **Food Distribution** - Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

* Major programs

WILSON, DOTSON & ASSOCIATES, P.L.L.C.

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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
El Reno School District Number I-34
Canadian County, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements-regulatory basis, within the combined financial statements, of the El Reno School District No. I-34, Canadian County, Oklahoma (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 13, 2022. The report on these financial statements was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Report on Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Wilson, Dotson & Associates, PLLC

Shawnee, Oklahoma
December 13, 2022

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

The Honorable Board of Education
El Reno School District Number I-34
Canadian County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the El Reno School District No. I-34, El Reno, Canadian County, Oklahoma's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. 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.

In our opinion, the District complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Governmental Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitation, during our audit we did not identify any deficiencies in internal control over compliance that we consider to

be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Wilson, Dotson & Associates

Wilson, Dotson & Associates, PLLC

Shawnee, Oklahoma
December 13, 2022

**EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Adverse (with
respect to the opinion on the combined financial statements in conformity with generally accepted accounting principles and a qualified opinion for the omission of the general fixed asset account group on the combined financial statements in conformity with the regulatory basis of accounting prescribed by the Oklahoma State Department of Education)	

Internal control over financial reporting:

- | | |
|--|---------------|
| • Material weakness(es) identified? | No |
| • Significant deficiency(ies) identified not considered to be material weakness(es)? | None reported |
| • Noncompliance material to the financial statements noted? | No |

Federal Awards

Internal control over major programs:

- | | |
|--|---------------|
| • Material weakness(es) identified? | No |
| • Significant deficiency(ies) identified not considered to be material weakness(es)? | None reported |

Type of auditors’ report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with section 510(a) of the Uniform Guidance?	No
--	----

Identification of major programs:

***Federal Assistance
Listing Numbers***

84.425D
84.425U

Name of Federal Program

COVID-19 ESSER II Formula Funding
American Rescue Plan School
Counselor Corp Grant and American
Rescue Plan ESSER III

Dollar threshold used to distinguish and Type B programs:	between Type A	\$750,000
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Auditee qualified as low-risk auditee?	No
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**EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

There were no material weaknesses or instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs

There were no findings or questioned costs, or material weakness or reportable conditions in internal control that are required to be reported.

**EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

There were no prior year findings or questioned costs.

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma
SCHEDULE OF STATUTORY, FIDELITY AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2022

<u>BONDING COMPANY</u>	<u>POSITION COVERED</u>	<u>BOND NUMBER</u>	<u>COVERAGE AMOUNT</u>	<u>EFFECTIVE DATES</u>
Liberty Mutual Surety Co.	Superintendent	601061289	\$ 100,000	1/03/22 - 1/03/23
	Treasurer	5033275	100,000	7/14/21 - 7/14/22
	Activity Fund Custodian	1597053	5,000	7/01/21 - 7/01/22
	Encumbrance Clerk	1597053	5,000	7/01/21 - 7/01/22
	Minutes Clerk	1597053	5,000	7/01/21 - 7/01/22

EL RENO SCHOOL DISTRICT NO. I-34
Canadian County, Oklahoma

SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
FOR THE YEAR ENDING JUNE 30, 2022

State of Oklahoma)
)ss
County of Pottawatomie)

The undersigned auditing firm of lawful age, being first duly sworn on oath says that said firm had in full force and effect Accountants' 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 El Reno Public Schools for the audit year 2021-22.

Wilson, Dotson & Associates, P.L.L.C.
Auditing Firm



by _____
Authorized Agent

Subscribed and sworn to before me this 13th day of December, 2022.



Notary Public (or CLERK or JUDGE)
Commission Expires March 10, 2023
Commission Number 11002236



WILSON, DOTSON & ASSOCIATES, P.L.L.C.

Certified Public Accountants

American Institute of Certified Public Accountants ^{Members} Oklahoma Society of Certified Public Accountants

December 13, 2022

Mr. Matt Goucher, Supt.
El Reno Public Schools
P.O. Box 580
El Reno, OK 73036-0580

Dear Mr. Goucher:

Listed below are the audit exceptions and recommendations relayed to management. Please review them very carefully. If you have questions or desire additional information, please call us so that any discrepancies may be resolved.

Reconciliation of Schedule of Expenditures of Federal Awards (SEFA) with OCAS Data

Listed below are the differences between the federal expenditures reported on the Schedule of Expenditures of Federal Awards and the federal expenditures classified to the individual program project codes:

1. The expenditures for the Oklahoma Future Native Leaders Program were (\$2,198) less on the SEFA than the amount previously reported to the State Department of Education. This difference was the result of open encumbrances reserved at June 30, 2022 that were not subsequently expended.
2. The expenditures for the National School Lunch Program were (\$235,868) less on the SEFA than the amount previously reported to the State Department of Education. This difference was the result of including expenditures twice on the OCAS data – once when initially paid through the general fund and again when the child nutrition fund reimbursed the general fund for those expenditures.

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

Sincerely,



Wilson, Dotson & Associates, P.L.L.C.

El Reno

Canadian

**PUBLIC SCHOOL DISTRICT
COUNTY**

**AUDIT COMMENT/RECOMMENDATION/MGMT LETTER
CORRECTIVE ACTION RESPONSE**

Reference Number: _____

Name of Award – Project Number
(Federal Findings)

713 & 763

Condition/Finding:

713 - expenditures did not match on SEFA and what was reported to SDE
due to an open reserve that was never expended.

763 - expenditures did not match on SEFA and what was reported to SDE due to a coding error when using
the general fund to purchase food for the child nutrition program and the reimbursement of those expenses
from child nutrition to general fund.

Contact Person:

Sandra Porter

Corrective steps that have been implemented and/or the steps that will be implemented.

Project 713 - make sure purchase has been made before June 30th to carry as a reserve or close the P.O.

Project 763 - if the CN fund is out of money and we need to make purchases through the general fund, we need
to reclass those expenses to a local code once the CN federal funds are available and CN reimburses the
general fund so it doesn't show double expenses for that federal fund.

Completion Date:

02/14/2023

If a refund is made in relation to this comment please include the mailing date, amount and number of
the check for the refund

Mailing Date

Check Number

Amount of Refund



Superintendent's Signature

02/14/2023

Date

If the district disagrees with the Audit Comments, Recommendation, Management Letters, Exceptions,
etc., this would be noted in the Steps Implemented Section.



OKLAHOMA Education

Audit Acknowledgement
Audit Year: 2021-2022

District Name El Reno Public Schools

District Number I-34

County Name Canadian

County Code 09

The annual independent audit was presented to the Board of Education in a meeting conducted in accordance with the Open Meeting Act 25 O.S. Section 301-314 on February 13, 2023

The audit was presented by Wilson, Dotson & Assoc./Pamela Dotson

Date of Meeting

(Independent Auditor)

(Independent Auditor's Signature)

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

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

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

Signature of the Board of Education:

Mark Stouch
Superintendent

D. J. S. S. S.
Board of Education President

[Signature]
Board of Education Vice President

[Signature]
Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member

Subscribed and sworn before me on Feb 13, 2023

My Commission expires 6/12/24

Laura Kennedy
(Notary Public)

