

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

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52,
OKLAHOMA COUNTY, OKLAHOMA**

JUNE 30, 2022



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

TABLE OF CONTENTS

	<u>Page No.</u>
Table of Contents	1-2
School District Officials	3
Independent Auditor's Report	4-6
Management's Discussion and Analysis	7-11
 <u>BASIC FINANCIAL STATEMENTS:</u>	
Government-wide financial statements:	
Statement of net position	12
Statement of activities	13
 <u>GOVERNMENTAL FUND FINANCIAL STATEMENTS:</u>	
Balance sheet	14-15
Reconciliation of the governmental funds balance sheet to the statement of net position	16
Statement of revenues, expenditures, and changes in fund balances	17-18
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	19
Statement of net position – proprietary fund	20
Statement of revenues, expenditures and changes in net position – proprietary fund	21
Statement of cash flows – proprietary fund	22
Notes to basic financial statements	23-56

TABLE OF CONTENTS – contd.

REQUIRED SUPPLEMENTARY INFORMATION:

Oklahoma Teachers' Requirement System:	
Schedule of the District's proportionate share of the net pension liability	57
Schedule of District Contributions	58
Budgetary comparison schedule – general fund	59
Budgetary comparison schedule – building fund	60

OTHER SUPPLEMENTARY INFORMATION:

Combining balance sheet – other governmental funds	61-62
Combining statement of revenues, expenditures and changes in fund balances – other governmental funds	63-64
Budgetary comparison schedule – debt service fund	65
Budgetary comparison schedule – child nutrition fund	66
Budgetary comparison schedule – tech center	67
Budgetary comparison schedule – tech center building fund	68

COMPLIANCE SECTION:

Schedule of expenditures of federal awards	69-71
Notes to schedule of expenditures of federal awards	72
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>	73-74
Independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with the Uniform Guidance	75-76
Schedule of findings and questioned costs	77
Summary schedule of prior audit findings	78
Schedule of Accountant's Professional Liability Insurance Affidavit	79

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
SCHOOL DISTRICT OFFICIALS
FOR THE YEAR ENDED JUNE 30, 2022**

BOARD OF EDUCATION

President	Mr. Julian Biggers
Vice-President	Dr. Silvy Kirk
Clerk	Dr. Ed Daniel
Member	Mr. Le Roy Porter
Member	Mrs. Jimmie Nolen

SUPERINTENDENT OF SCHOOLS

Dr. Rick Cobb

SCHOOL DISTRICT TREASURER
and CHIEF FINANCIAL OFFICER

Mrs. Jacqueline Woodard



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Midwest City-Del City School District No. I-52
Midwest City, Oklahoma 73110

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Midwest City-Del City School District No. I-52, Midwest City, Oklahoma (the "School District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Midwest City-Del City School District No. I-52, Oklahoma County, Oklahoma as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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 Midwest City-Del City School District No. I-52, Midwest City, Oklahoma 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*

will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School 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 Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-11, Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on pages 59-60, Schedule of Proportionate Share of the Net Pension Liability on page 57 and Schedule of Contributions on page 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the method of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining fund statements, regulatory basis, listed in the accompanying table of contents are presented for purpose of additional analysis, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 2, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

December 2, 2022

Management's Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

MIDWEST CITY - DEL CITY INDEPENDENT SCHOOL DISTRICT NO. I-52

June 30, 2022

This section of Midwest City-Del City Independent School District #52's annual financial report presents the District's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Scope	District-Wide Statements	Fund Financial Statements - Governmental Funds
	Entire district (<i>except fiduciary funds</i>)	The activities of the district that are not proprietary or fiduciary such as special education and building maintenance
Required Financial Statements	1) Statement of Net Position 2) Statement of Activities	1) Balance Sheet 2) Statement of Revenue, Expenditures, and Changes in Fund Balances
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus.
Type of Asset/ Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of Inflow/ Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable

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

District-Wide Statements: The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the district's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

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

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

TABLE A2
Net Position

	<u>2022</u>	<u>2021</u>
	<i>(in Millions)</i>	
ASSETS		
Current and other assets	\$ 79.1	\$ 68.2
Capital assets	233.3	237.6
TOTAL ASSETS	<u>\$ 312.4</u>	<u>\$ 305.8</u>
Deferred Outflows of Resources	<u>\$ 25.4</u>	<u>\$ 48.6</u>
LIABILITIES		
Long-term liabilities	\$ 187.1	\$ 277.1
Other liabilities	9.8	9.6
TOTAL LIABILITIES	<u>\$ 196.9</u>	<u>\$ 286.7</u>
Deferred Inflows of Resources	<u>\$ 44.9</u>	<u>\$ 5.0</u>
NET POSITION		
Net investment in capital assets	\$ 132.5	\$ 127.8
Restricted	25.8	24.0
Unrestricted	(62.4)	(89.1)
TOTAL NET POSITION	<u>\$ 95.9</u>	<u>\$ 62.7</u>

TABLE A3
Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>Difference</u>
	<i>(in Millions)</i>		
REVENUES			
Program revenues:			
Charges for services	\$ 7.3	\$ 7.3	\$ -
Federal and State grants	36.0	27.4	\$ 8.6
General revenues:			
Property taxes	41.0	40.9	\$ 0.1
Other taxes	12.0	12.0	\$ -
State entitlement	64.8	61.8	\$ 3.0
Other general revenues	3.9	2.7	\$ 1.2
TOTAL REVENUES	<u>165.1</u>	<u>152.1</u>	<u>\$ 13.0</u>
EXPENSES			
Instruction	70.0	92.2	\$ (22.2)
Support services	53.5	57.8	\$ (4.3)
Non-instruction	5.8	6.7	\$ (0.9)
Interest on long-term debt	2.4	3.3	\$ (0.9)
Judgements	-	0.2	\$ (0.2)
Other outlays/uses	0.1	0.1	\$ -
TOTAL EXPENSES	<u>131.8</u>	<u>160.3</u>	<u>\$ (28.5)</u>
CHANGE IN NET POSITION	<u>\$ 33.3</u>	<u>\$ (8.2)</u>	<u>\$ 41.5</u>

Changes in Net Position: The ending net position increased by approximately \$41.5 million from the prior fiscal year. Federal revenue increased over \$8 million primarily due to ESSER and ARP on-time funds being received. State revenue, which includes state aid and flexible benefit allowance, grew just over \$4.2 million while state pension revenue experienced a decrease just under \$1.2 million. State Aid grew based on a \$230.03 factor increase when compared to the factor in FY21. Other general revenues increased \$1.2 million as a result of returning to unrestricted athletic and school activities after COVID 19. Instructional and support services expenditures declined \$26.5 million due to most of these expenses being one-time expenditures in ESSER and ARP funding for FY21 that did not reoccur in FY22.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported combined fund balances of \$64.0 million, compared to \$52.4 million in FY21. General fund went from 7.56% in FY21, to 12.53% in FY 22. This was an increase by 4.97% primarily due to federal funds not being received until FY22. Child Nutrition's fund balance change is noteworthy as it went from 25.25% in FY21 to 48.32% in FY 22. Child Nutrition received federal relief one-time dollars which were the primary contributor to the jump in fund balance.

The only limitations that affect the availability of fund resources for future use would be that the Bond funds are only restricted in the sense that they must meet the 85% rule of what was voted on by the patrons of the District and then used for like purposes. The Building Fund, Child Nutrition Fund and Debt Service Fund are restricted only in regards to what is required by law to be used in those respected funds.

General Fund Budgetary Highlights: The General Fund approved budget at June 2021 for FY22 to the final approved budget on June 28, 2022 increased by \$1.9 million and expenditures increased by \$5 million over FY21.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: By the end of 2022 the District expended \$45.8 million in finishing up the new PAC's at each high school, as well as stadium renovations. There were also new buses, flooring, paving, updates to classrooms, technology and security cameras purchased, as well as energy management updates.

Long-Term Debt: At year end the District had \$44.1 million in total long-term GO debt outstanding. This is a decrease from last year's amount of \$48.5 million. (More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.)

- The District continued to pay down its debt, retiring \$24.6 million of outstanding GO bonds, leases payable, premium on bonds and compensated absences in FY22.
- \$17.07 million in new GO debt and premium was issued during the year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was not aware of any existing circumstances that would adversely impact the finances of the district that have not already been presented in the audit.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designated to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent, Mid-Del Schools, 7217 S.E. 15th, Midwest City, OK 73110.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 64,826,715
Property taxes receivable	1,902,331
Due from other governments	6,894,696
Other receivables	4,792,480
Inventory	702,690
Capital assets:	
Land	16,552,576
Other capital assets, net of accumulated depreciation	216,698,681
Total assets	<u>312,370,169</u>
Deferred outflows of resources, pension related deferred outflows	<u>25,376,781</u>
Liabilities	
Accounts payable	377,143
Wages payable	7,984,495
Liabilities for incurred claims	242,610
Bond proceeds good faith deposit	435,600
Accrued interest	703,576
Long-term liabilities:	
Due within one year	20,961,799
Due in more than one year	166,172,093
Total liabilities	<u>196,877,316</u>
Deferred inflows of resources	
Pension related deferred inflows	44,920,815
Total deferred inflows of resources	<u>44,920,815</u>
Net Position	
Net investment in capital assets	132,514,152
Restricted for:	
Debt service	8,379,386
Child Nutrition	3,136,693
Building	14,300,420
Unrestricted (deficit)	<u>(62,381,832)</u>
Total net position	<u>\$ 95,948,819</u>

See Notes to Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

<u>Programs/Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental Activities:				
Instruction	\$ 70,009,357	7,128,280	29,761,802	(33,119,275)
Support services	53,537,059			(53,537,059)
Non-instruction services	5,830,509	161,560	6,327,648	658,699
Other outlays	57,755			(57,755)
Interest on long-term debt	2,421,683			(2,421,683)
Total primary government	\$ 131,856,363	7,289,840	36,089,450	(88,477,073)
General Revenues				
Taxes:				
Property taxes, levied for general purposes				\$ 21,504,664
Property taxes, levied for building purposes				3,069,127
Property taxes, levied for debt service				16,395,416
General taxes				7,333,964
State aid not restricted for specific purposes				64,761,866
Support from other local governments				4,757,474
Interest, dividends, and investment earnings				112,984
Other general revenues				3,820,061
Total general revenues				121,755,556
Changes in net position				33,278,483
Net position, beginning of year as restated				62,670,336
Net position, end of year				\$ 95,948,819

See Notes to Basic Financial Statements

GOVERNMENTAL
FUND FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Tech Center	Building Fund
Assets			
Cash and cash equivalents	\$ 22,429,186	8,914,547	5,094,852
Property taxes receivable	997,663		142,441
Receivables net of allowance for uncollectibles	6,487,018	359,210	
Inventory	311,187		249,133
Total assets	<u>30,225,054</u>	<u>9,273,757</u>	<u>5,486,426</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	23,388	42,380	123,231
Accrued wages	7,564,861	215,080	
Total liabilities	<u>7,588,249</u>	<u>257,460</u>	<u>123,231</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	838,386		119,701
Total deferred inflows of resources	<u>838,386</u>	<u>-</u>	<u>119,701</u>
Fund Balances			
Nonspendable inventory	311,187		249,133
Restricted fund balances:			
School construction			
Retirement of long-term debt			
Buildings			4,994,361
Custodial funds			
Child nutrition			
Assigned		9,016,297	
Unassigned	21,487,232		
Total fund balances	<u>21,798,419</u>	<u>9,016,297</u>	<u>5,243,494</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,225,054</u>	<u>9,273,757</u>	<u>5,486,426</u>

See Notes to Basic Financial Statements

<u>Tech Center Building Fund</u>	<u>Sinking Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 8,937,225	8,320,736	10,616,222	64,312,768
	762,227		1,902,331
		48,469	6,894,697
		142,370	702,690
<u>8,937,225</u>	<u>9,082,963</u>	<u>10,807,061</u>	<u>73,812,486</u>
		124,799	313,798
		204,554	7,984,495
<u>-</u>	<u>-</u>	<u>329,353</u>	<u>8,298,293</u>
	640,535		1,598,622
<u>-</u>	<u>640,535</u>	<u>-</u>	<u>1,598,622</u>
		142,370	702,690
		3,971,593	3,971,593
	8,442,428		8,442,428
8,937,225			13,931,586
		2,172,480	2,172,480
		2,994,324	2,994,324
		1,196,941	10,213,238
			21,487,232
<u>8,937,225</u>	<u>8,442,428</u>	<u>10,477,708</u>	<u>63,915,571</u>
<u>\$ 8,937,225</u>	<u>9,082,963</u>	<u>10,807,061</u>	<u>73,812,486</u>

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total governmental fund balances	\$ 63,915,571
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and; therefore, are not reported as assets in governmental funds.	233,251,257
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Revenues receivable are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	
Property taxes	1,598,622

An internal service fund is used by the District to charge the costs of workers' compensation insurance to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.	271,337
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Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:	
Deferred outflows of resources	25,376,781
Deferred inflows of resources	(44,920,815)
	(19,544,034)

Long-term liabilities, including bonds payable, are not due and payable in the current period and; therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Bonds	(44,070,000)
Premium on bonds	(5,299,584)
Leases payable	(56,160,000)
Accrued interest	(703,577)
Compensated absences	(2,313,611)
Bond proceeds good faith deposit	(435,600)
Net pension liability	(79,290,697)
	(188,273,069)

Funds available for drawdown under the capital lease are reported as a receivable and related construction-in-progress as an accounts payable in the governmental activities, but not reported in governmental funds.	4,729,135

Net position of governmental activities	\$ 95,948,819

See Notes to Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Tech Fund	Building Fund
Revenues:			
Property tax	\$ 21,188,947		3,026,049
Interest	69,856	16,738	
County	4,757,474		
State	68,076,499	1,859,368	267,606
Federal	24,370,830	876,420	461,945
Local	644,752	5,076,534	22
Other	48,349	480,718	
Total revenues	<u>119,156,707</u>	<u>8,309,778</u>	<u>3,755,622</u>
Expenditures:			
Instruction	66,304,066	2,710,860	226,185
Support services	44,102,153	3,905,824	3,155,943
Non-instruction services	330,921		
Capital outlays	175,978		11,134
Other outlays	106,104	3	22
Debt service:			
Principal paid			
Interest paid			
Total expenditures	<u>111,019,222</u>	<u>6,616,687</u>	<u>3,393,284</u>
Excess (deficiency) of revenues over expenditures	<u>8,137,485</u>	<u>1,693,091</u>	<u>362,338</u>
Other financing sources (uses)			
Premium on bonds sold			
Proceeds of bonds			
Insurance loss recovery			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	8,137,485	1,693,091	362,338
Fund balance, beginning of year	13,660,934	7,323,206	4,881,156
Fund balance, end of year	<u>\$ 21,798,419</u>	<u>9,016,297</u>	<u>5,243,494</u>

See Notes to Basic Financial Statements

<u>Tech Bldg Fund</u>	<u>Sinking Fund</u>	<u>Other Governmental Funds</u>	<u>Governmental Funds</u>
	16,185,736		40,400,732
	3,943	20,981	111,518
			4,757,474
	223	439,587	70,643,283
		6,989,472	32,698,667
1,744,779		3,304,506	10,770,593
		366,488	895,555
<u>1,744,779</u>	<u>16,189,902</u>	<u>11,121,034</u>	<u>160,277,822</u>
27,421		1,483,832	70,752,364
43,587		5,108,392	56,315,899
		6,093,927	6,424,848
798,883		11,760,483	12,746,478
		633,127	739,256
	17,570,000		17,570,000
	1,041,045		1,041,045
<u>869,891</u>	<u>18,611,045</u>	<u>25,079,761</u>	<u>165,589,890</u>
<u>874,888</u>	<u>(2,421,143)</u>	<u>(13,958,727)</u>	<u>(5,312,068)</u>
	519,202		519,202
		16,233,200	16,233,200
		107,740	107,740
<u>-</u>	<u>519,202</u>	<u>16,340,940</u>	<u>16,860,142</u>
874,888	(1,901,941)	2,382,213	11,548,074
8,062,337	10,344,369	8,095,495	52,367,497
<u>\$ 8,937,225</u>	<u>8,442,428</u>	<u>10,477,708</u>	<u>63,915,571</u>

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2022

Net change in fund balance - total governmental funds \$ 11,548,074

Amounts reported for governmental activities and the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which the capital outlays exceeded depreciation and retirements in the period.

Capital outlays	\$ 2,276,254	
Depreciation expense	<u>(7,826,831)</u>	(5,550,577)

Drawdowns of capital lease funds of \$1,597,317 used for the purchase of capital assets, net of dividends earned of \$1,466.		(1,595,851)
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Because some revenues will not be collected for several months after the District's year end, they are not considered "available" revenues in the governmental funds and are, instead counted as deferred inflows of resources. They are, however, recorded as revenues in the statement of activities.

Property taxes		568,473
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Construction-in-progress included some ongoing projects that were recognized as part of accounts payable because the materials and supplies were ordered out of the lease fund prior to year end and that is not recognized in the governmental funds.		1,234,232
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Some of the capital assets acquired this year were financed with general obligation bonds. The amount financed by the bonds and related premium is reported in the governmental funds as a source of financing, but increases long-term liabilities in the statement of net position and does not affect the statement of activities.		11,370,000
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Repayment of bond principal and repayment on capital lease purchases are an expense in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		1,336,800
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Amortization of bond premium is recorded in the statement of activities, but not in the governmental funds.		920,609
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In the statement of activities, certain expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		64,184
Pension expense adjustments net of state contributions		16,173,349

An internal service fund is used by the District to charge the costs of workers compensation insurance to the individual funds. The changes in net position of the internal service fund is reported with governmental activities.		29,638
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus, requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due.		<u>(2,820,448)</u>
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Change in net position - statement of activities		<u>\$ 33,278,483</u>
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See Notes to Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2022

	Internal Service Fund - Workers' Compensation
	<hr/>
Assets	
Cash and cash equivalents	\$ 513,947
Total assets	<hr/> 513,947 <hr/>
Liabilities	
Liability for incurred claims	<hr/> 242,610 <hr/>
Net Position	
Unrestricted	<hr/> \$ 271,337 <hr/>

See Notes to Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - PROPRIETARY FUND
JUNE 30, 2022

	Internal Service Fund - Workers' Compensation
Operating revenues:	
Local	\$ 29,637
Total operating revenues	<u>29,637</u>
Operating expenses:	
Management fees	
Total operating expenses	<u>-</u>
Operating income	29,637
Nonoperating revenues, interest income	
Changes in net position	29,637
Net position, beginning of year	241,700
Net position, end of year	<u>\$ 271,337</u>

See Notes to Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Internal Service Fund - Workers' Compensation
Cash flows from operating activities:	
Refunds received	\$ 29,637
Payments for workers' compensation claims and management fees	(107,242)
Net cash (used in) operating activities	<u>(77,605)</u>
Cash flows from investing activities, interest earnings	<u> </u>
Net decrease in cash and cash equivalents	(77,605)
Cash and cash equivalents, beginning of year	591,552
Cash and cash equivalents, end of year	<u>\$ 513,947</u>
Reconciliation of operating income to net cash (used in)	
operating activities:	
Operating income	\$ 29,637
Adjustments to reconcile operating income to net cash (used in)	
operating activities:	
Change in liability for incurred claims	(107,242)
Net cash (used in) operating activities	<u>\$ (77,605)</u>

See Notes to Basic Financial Statements

NOTES TO THE
FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. Summary of Significant Accounting Policies

The financial statements of the Midwest City-Del City Public Schools Independent District No. 52 (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units as promulgated by the Governmental Accounting Standards Board ("GASB"), the standard-setting body for governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

As required by accounting principles generally accepted in the United States of America, the basic financial statements present the reporting entity which consists of the primary government; organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the District's basic financial statements to be misleading.

The District has presented the entities which comprise the reporting entity in the basic financial statements for 2022.

The Midwest City-Del City Lewis Eubanks Technical Center (formerly the Mid-Del Area Vo-Tech) became a designated Area Vocational-Technical School in 1977 by action of the Oklahoma State Board of Vocational and Technical Education with no ad valorem millage devoted specifically for its support. It is the only designated technology center in the State of Oklahoma that shares a school board with a public school district. The Mid-Del School District No. I-52 board of education serves as the Tech Center's board of education. The Technical Center is reported as a blended component unit as a special revenue fund of the primary government.

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

A. Reporting Entity – contd.

The government-wide financial statements (the statement of net position and the statement of activity) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of inter-fund activity has been removed from these statements.

B. Fund Accounting

Governmental activities are normally supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the District's activities are reported as governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Program revenues include 1) tuition or fees paid by students or citizens of the District and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items, including state aid, that are not properly included among program revenues are reported as general revenues.

The school district segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Separate financial statements are provided for governmental funds, proprietary, and fiduciary funds, even though the latter are excluded from the government-side financial statements.

Governmental Fund Types

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

General Fund - The general fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

B. Fund Accounting - contd.

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.

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

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

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. The District did not maintain this fund during the 2021-2022 fiscal year.

Child Nutrition Fund – The child nutrition fund is a special revenue fund used to account for the operations of the child nutrition programs. Revenue sources include meal ticket sales and Federal and State grants for free and reduced meals.

Technology Center Fund – The technology center fund is used to account for financial resources to be used for the operation of vocational and technical education programs.

Custodial Funds – The student activity fund, tech center activity fund, and child nutrition clearing funds are used to account for monies collected principally through fundraising efforts of the students and district sponsored groups.

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

Capital Projects Bond Funds – The bond funds are capital project funds used to account for the proceeds of bond sales to be used exclusively for acquiring school sites,

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. Summary of Significant Accounting Policies- contd.

B. Fund Accounting - contd.

constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

Tech Center Building Fund – The tech center building fund is used to account for financial resources restricted to the Technology Center’s remodeling or repairing buildings and purchasing furniture and equipment.

Casualty/Insurance Funds – The insurance fund was established to account for revenues and expenditures for all types of insurance coverage and major reimbursements and reserves for property.

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District reports the following non-major propriety fund:

Internal Service Fund – Worker’s Compensation – The workers’ compensation insurance fund is an internal service fund used to account for the accumulation, recording and disbursing of District contributions to the District’s self-insured Workers’ Compensation Account.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a formula trust agreement, either a private purpose trust fund or a permanent fund is used. The terms “permanent” and “private purpose” refer to whether or

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

B. Fund Accounting - contd.

not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

The District reports the following non-major fiduciary funds:

Private Purpose Trust Funds – Gifts Fund – The gifts fund is a private-purpose trust fund to account for donations received for the benefit of specified individuals associated with the District. This fund was not active during the current fiscal year.

The District's fiduciary funds have been excluded from the government-wide financial statements.

Account Group

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

General Long-Term Debt Account Group - This account group was established to account for all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for other liabilities (judgments and lease purchases), which are to be paid from funds provided in future years.

C. Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The economic resources measurement focus is not applicable to the agency fund and therefore they have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. Summary of Significant Accounting Policies - contd.

C. Basis of Accounting and Measurement Focus – contd.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and pension liabilities are recorded only when the payment is due.

Property taxes and interest and certain state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

D. Budget and Budgetary Accounting

A budget is legally adopted by the Board of Education for the general fund, building fund, debt service (sinking) fund, child nutrition fund, tech center, and tech center building fund that included revenues and expenditures. These budgets are prepared on a modified cash basis of accounting. Budgetary control is maintained by fund, function, and activity and budgeted expenditures may not exceed appropriations at the fund level. Amendments may be made to the budget without approval by the governing body at the function and activity levels. Fund level budgetary amendments require approval of the governing body.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable fund balance is utilized in all governmental funds of the District. Appropriations which are not spent lapse at the end of the fiscal year and encumbrances are reversed. On the first day of the following fiscal year, the encumbrances are reinstated and the expenditures are applied against the year's budget. At the beginning of the next year, prior year encumbrances are reviewed and some are reestablished. There were no material encumbrances which lapsed at June 30, 2021 and were reinstated during fiscal year 2022.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. Summary of Significant Accounting Policies- contd.

E. Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position

Cash and Cash Equivalents and Investments – The District considers all cash on hand, demand deposits interest bearing checking accounts, and highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. As of June 30, 2022, all of the District's investments were in money market accounts which meet the definition of cash equivalents. Investments, not meeting the definition of cash equivalents, are recorded at fair value.

Inventories – Inventories in the governmental funds are recorded as expenditures when purchased rather than when consumed. Inventories include fuel, maintenance supplies, instructional supplies, and food service supplies. Cost of donated federal surplus commodities is based on values established by the federal government at the time of donation.

Capital Assets – Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements.

The capitalization threshold is \$5,000. All purchased capital assets are valued at cost when historical records exist and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Capital assets are depreciated using the straight-line method over the following useful lives:

Type of Asset	Years
Buildings and renovations	45
Furniture and accessories	5-20
Equipment and appliances	7-15
Computer software/hardware	5
Vehicles/buses	6

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. Summary of Significant Accounting Policies- contd.

E. Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position – contd.

Deferred Outflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s). It will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources for the year ended June 30, 2022 consist of unrecognized items not yet charged to pension expense and contributions from the District after the measurement date but before the end of the District's reporting period.

Deferred Inflows of Resources – In addition to liabilities, financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s). It will not be recognized as an inflow of resources (revenue) until then. The governmental fund balance sheet includes deferred inflows of resources related to unavailable revenue from property taxes, federal revenue, and local revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred inflows of resources in the statement of net position for the year ended June 30, 2022 consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied and budgeted for and the unamortized portion of the net difference between projected and actual earnings on pension plan investments and pension plan experience.

Compensated Absences – The District's policy allows employees to accumulate unused sick leave from year to year as long as employees remain continuously in the Midwest City-Del City School system. Maximum number of days that can be accumulated for purposes of sick leave cannot exceed one hundred twenty (120) days at the beginning of the school year. For the purposes of sick leave reimbursement upon retirement or resignation, the district pays for all sick leave accrued during employment not previously paid for by the Midwest City-Del City School District.

A twelve-month salaried employee is eligible for twelve (12) days paid vacation each year accrued at the rate of one (1) day per month. Twelve month employees may carry over vacation days up to a maximum of twenty-four (24) days. Upon retirement or resignation, the District will reimburse an employee for accrued vacation at the employee's regular daily rate of pay.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. Summary of Significant Accounting Policies- contd.

Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position – contd.

The liability for compensated absences attributable to the District's governmental funds is recorded in the government-wide financial statements. A liability for those amounts is recorded in governmental funds only if the liability has matured as a result of employee resignations or retirements.

Long-term Liabilities – In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bond issuance costs are expensed when incurred.

In the governmental fund financial statements, the face amount of debt is reported as other financing sources. Repayments of long-term debt are reported as expenditures. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions – For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Oklahoma Teachers' Retirement System (OTRS) and additions to/deductions from these fiduciary net positions has been determined on the same basis as they are reported by OTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position – The government-wide, proprietary fund, and fiduciary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This component of net position reports capital assets less both accumulated depreciation and the outstanding balance of debt (excluding unexpended proceeds) that is directly attributable to the acquisition, construction, or improvement of those assets. Any deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in the component of net position.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

E. Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position – contd.

Restricted Net Position – This component of net position reports the difference between assets, deferred inflows/outflows of resources and liabilities of certain programs or funds that consist of assets with constraints placed on their use by either external parties and/or enabling legislation. Net position restricted by enabling legislation consists of \$8,379,386 for debt service, \$3,136,693 for child nutrition and \$14,300,420 for buildings.

Unrestricted Net Position – Net position that does not meet the definition of net investment in capital assets or restricted are classified as unrestricted.

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance – Governmental fund equity is classified as fund balance. Fund balance consists of five categories, defines as follows:

Nonspendable Fund Balance – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This would include items not expected to be converted to cash including inventories, long-term receivables, and prepaid amounts. It may also include long-term loans and receivables, as well as property acquired for resale and the corpus (principal) of a permanent fund.

Restricted Fund Balance – The restricted fund balance classification should be reported when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – The committed fund balance classification reflects specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the District's Board of Education). Such constraints can only be removed or changed by the same form of formal action. Funds set aside by the Board of Education as committed fund balance requires the approval of a resolution by a majority vote of the members of the Board of Education. Such approval must take place prior to the District's fiscal year-end in order for it to be applicable to that fiscal year. It is permitted for the specific amount of the commitment to be determined after the fiscal year-end if any additional information is

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. Summary of Significant Accounting Policies- contd.

E. Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position – contd.

Committed Fund Balance – contd.

required in order to determine the exact amount. The Board of Education has the authority to remove or change the commitment of funds with a resolution.

Assigned Fund Balance – The assigned fund balance classification reflects amounts that are constrained by the government’s intent to be used for specific purposes but meet neither the restricted nor committed forms of constraint. Assigned funds cannot cause a deficit in unassigned fund balance. For the purposes of assigned fund balance, the District has given authority to the Superintendent and Deputy Superintendent of Fiscal Services to assign funds for specific purposes.

Unassigned Fund Balance – The unassigned fund balance classification is the residual classification for the General Fund only. It is also where negative residual amounts for all other governmental funds must be reported. Unassigned fund balance essentially consists of excess funds that have not been classified in the other four fund balance categories mentioned above.

It is the District’s policy to use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balances are available. The District’s policy for the use of unrestricted fund balance amounts requires that committed amounts would be used first, followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

F. Revenue and Expenditures

Local Revenues – Revenue from Local sources is the monies generated from within the boundaries of the District and available to the District for its use. The District is authorized by State law to levy property taxes, which consist of ad valorem taxes on real and personal property within the District. These property taxes are distributed to the District’s General, Building and Debt Service Funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The County Treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes are due prior to January 1. The second half is due prior to April 1.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. Summary of Significant Accounting Policies- contd.

F. Revenue and Expenditures – contd.

Local Revenues – contd.

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

Uncollected taxes assessed on valuations made each year are recorded in the District's financial statements. The delinquent taxes which are not collected within 60 days of year-end are recorded in the financial statements as deferred inflows of resources. Uncollectible personal and real property taxes are deemed to be immaterial because the property can be sold for the amount of taxes due.

Other Local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements. The District also enters into agreements each year between the Board of Education for the Midwest City-Del City Lewis Eubanks Technical Center and the Board of Trustees for the Rose State College Technical Area Education District. Under these agreements, the Mid-Del School District receives 50 percent of total collections for the fiscal year.

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

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made. The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical education program revenues be accounted for in the general fund. The aforementioned state revenues are apportioned to the District's General Fund.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. **Summary of Significant Accounting Policies-** contd.
F. *Revenue and Expenditures-* contd.

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

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

Other Sources and Non-Revenue Receipts – Other sources represent primarily prior year lapsed encumbrances and prior year reimbursements and adjustments. Non-revenue receipts represent receipts deposited into a fund that is not new revenues to the District, but the return of assets.

Instruction Expenditures – Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving co-curricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process.

The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other local education agencies would be included here.

Support Services – 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. These services are designed to assess and improve student well-being and to supplement the teaching process.

Operation of Non-Instructional Services Expenditures – Activities concerned with providing non-instructional services to students, staff or the community.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. **Summary of Significant Accounting Policies-** contd.
F. *Revenue and Expenditures-* contd.

Facilities Acquisition and Construction Services Expenditures – Consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.

Other Outlays Expenditures – A number of outlays of governmental funds are not properly classified as expenditures but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest).

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

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

Interfund Transactions – Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services provided and used or reimbursements, are reported as transfers.

Use of Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. **Deposits**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of failure of a counterparty, the District will not be able to recover its deposits. Deposits are exposed to credit risk if they are uninsured or uncollateralized. The District's policy requires that all deposits in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the deposits. As of June 30, 2022, all the District's deposits were federally insured by FDIC or collateralized.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

2. Deposits – contd.

The District had cash deposits at financial institutions with a book balance of approximately \$56,042,219 at June 30, 2022. The bank balance of these deposits was approximately \$70,717,549. The difference between the bank balance and book balance are the outstanding checks and deposits.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the District, and are held by counterparty or the counterparty's trust department but not in the name of this District. The District's policy requires that all investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the investments. As of June 30, 2022, all of the District's investments were collateralized.

Concentration of Credit Risk:

The District's investment policies are governed by state statute. Permissible investments include:

- a. Direct obligations of the United State Government to the payment of which the full faith and credit of the government is pledged.
- b. Obligations to the payment of which the full faith and credit of the state is pledged.
- c. Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies.
- d. Savings accounts or savings certificates of saving and loan associations to the extent that such accounts or certificates are fully insured by the Federal Saving and Loan Insurance Corporation.
- e. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 of this section including obligations of the United States, its agencies and instrumentalities, and where collateral has been deposited with a trustee of custodian bank in an irrevocable trust or escrow account established for such purposes.

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

2. Deposits – contd.

- f. County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value.
- g. Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items listed above.
- h. Warrants, bonds, or judgments of the school district.
- i. Qualified pooled investment programs, the investments of which consist of those items specified above, as well as obligations of the United States agencies and instrumentalities, regardless of the size of the district's budget. To be qualified, a pooled investment program for the school funds must be governed through an Interlocal cooperative agreement formed pursuant to Title 70 Section 5-117b, and the program must competitively select its investment advisors and other professional. Any pooled investment program must be approved by the Board of Education.

The investments held at June 30, 2022 are as follows:

Type	Weighted Average Maturity (Months)	Market Value	Cost
Investments			
Money Market		\$ 0	\$ 0
Municipal tax-supported money judgments		0	0
Certificate of Deposit		<u>800,000</u>	<u>800,000</u>
Total investments		<u>\$ 800,000</u>	<u>\$ 800,000</u>

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

2. Deposits – contd.

The District places no limit on the amount it may invest in any one issuer. The District has the following of credit risk: 0% in Money Market funds, 0% in Municipal tax-supported money judgments and 100% in CDs (\$800,000).

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments are made based upon prevailing market conditions at the time of the transaction with the intent to hold the instrument until maturity. However, the District has no formal written policy addressing interest rate risk.

3. Receivables

Receivables at June 30, 2022, for the individual governmental and proprietary funds are as follows:

	General	Debt Service	Building	Other Governmental Funds			Internal Service
				Child Nutrition	Tech Center	Tech Building	
Receivables							
Ad valorem	\$ 997,663	762,227	142,441				
Federal grants	6,269,097			48,469	218,522		
Local & intermediate	69,936				140,688	-	-
State dedicated revenue	147,985						
Total receivables	\$ 7,484,681	762,227	142,441	48,469	359,210	-	-

The government-wide financial statements also include other receivables of approximately \$4.8 million for amounts available to draw down on the capital lease (see Note 5).

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2022 follows:

	Balance June 30, 2021	Additions	Transfers	Disposals	Balance June 30, 2022
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 16,552,576				16,552,576
Construction in progress	42,316,713	1,171,831	(43,488,544)		-
Total capital assets not being depreciated	<u>58,869,289</u>	<u>1,171,831</u>	<u>(43,488,544)</u>	<u>-</u>	<u>16,552,576</u>
Capital assets being depreciated:					
Buildings and renovations	281,016,036	550,822	43,488,544		325,055,402
Furniture and assessories	529,410				529,410
Equipment and appliances	16,828,414	664,088			17,492,502
Computer software/hardware	8,471,682	73,254			8,544,936
Vehicles/buses	11,981,876	988,090			12,969,966
Total capital assets being depreciated	<u>318,827,418</u>	<u>2,276,254</u>	<u>43,488,544</u>	<u>-</u>	<u>364,592,216</u>
Less: accumulated depreciation	<u>140,066,705</u>	<u>7,826,831</u>			<u>147,893,536</u>
Total capital assets being depreciated, net	<u>178,760,713</u>	<u>(5,550,577)</u>	<u>43,488,544</u>	<u>-</u>	<u>216,698,680</u>
Total Capital assets, net	<u>\$ 237,630,002</u>	<u>(4,378,746)</u>	<u>-</u>	<u>-</u>	<u>233,251,256</u>

Depreciation expense on the government-wide statement of activities includes \$6,944,659 in expense under instruction and \$882,172 in expense under support services.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

5. General Long-Term Debt

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue. General long-term debt of the District consists of bond payable, and obligations for compensated absences. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Due within one year
Bonds payable	\$ 45,520,000	16,120,000	17,570,000	44,070,000	6,485,000
Premium on bonds	6,220,193	519,202	1,439,811	5,299,584	1,361,799
Leases payable	64,450,000		8,290,000	56,160,000	13,115,000
Compensated absences	2,377,794		64,183	2,313,611	
Net pension liability	158,626,216		79,335,519	79,290,697	
Total	<u>\$ 277,194,203</u>	<u>16,639,202</u>	<u>106,699,513</u>	<u>187,133,892</u>	<u>20,961,799</u>

A brief description of the outstanding general obligation bond issues at June 30, 2022, is set forth below:

	<u>Amount outstanding</u>
Building Bonds, Series 2018, original issue \$14,140,000, interest rate of 2.5-3.0%, due in annual installments of \$3,535,000 beginning on 1-1-20;	\$ 3,535,000
Building Bonds, Series 2018B, original issue \$7,080,000, interest rate of 3.0%, due in annual installments of \$1,770,000 beginning on 7-1-20;	1,770,000
Transportation Bonds, Series 2018B, original issue \$1,920,000, interest rate of 3.1-3.25%, due in annual installments of \$480,000 beginning on 7-1-20;	\$ 480,000

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

5. General Long-Term Debt – cont'd

	<u>Amount outstanding</u>
Building Bonds, Series 2019A, original issue \$10,400,000, interest rate of 3.0%, due in annual installments of \$2,600,000 beginning on 1-1-21;	\$ 5,200,000
Combined Purpose Bonds, Series 2019A, original issue \$10,460,000, interest rate of 2.0%, due in annual installments of \$2,615,000 beginning on 7-1-21;	5,230,000
General Obligation Bonds, Series 2019B, original issue \$1,800,000, interest rate of 2.25%, due in annual installments of \$450,000 beginning on 7-1-21;	900,000
Combined Purpose Bonds, Series 2020, original issue \$10,860,000, interest rate of 1.00-1.75%, due in annual installments of \$2,715,000 beginning on 7-1-22;	8,145,000
General Obligation Bonds, Series 2020A, original issue \$1,720,000, interest rate of 1.2%, due in annual installments of \$430,000 beginning on 7-1-22;	1,290,000
General Obligation Bonds, Series 2020B, original issue \$1,400,000, interest rate of 0.75%, due in annual installments of \$350,000 beginning on 9-1-21;	1,400,000
General Obligation Bonds, Series 2021, original issue \$1,500,000, interest rate of 0.7-2.0%, due in annual installments of \$375,000 beginning on 7-1-23;	1,500,000
Combined Purpose Bonds, Series 2021, original issue \$14,620,000, interest rate of 1.0-2.0%, due in annual installments of \$3,655,000 beginning on 7-1-23;	<u>14,620,000</u>
Totals	<u>\$ 44,070,000</u>

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

5. General Long-Term Debt – cont'd

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

Year ending June 30	Principal	Interest	Total
2023	\$ 6,485,000	297,944	6,782,944
2024	15,440,000	865,346	16,305,346
2025	10,590,000	259,198	10,849,198
2026	7,525,000	134,640	7,659,640
2027	4,030,000	38,519	4,068,519
Total	<u>\$ 44,070,000</u>	<u>1,595,647</u>	<u>45,665,647</u>

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

5. General Long-Term Debt – cont'd

Compensated Absences:

Compensating absences represent the estimated liability for employees accrued vacation and sick leave for which employees are entitled to be paid upon termination or resignation. The liability at June 30, 2022 totaled \$2,313,611 and is recorded as long-term debt of the District in the government-wide financial statements. The retirement of this liability is liquidated by the general fund or special revenue funds based on the assignment of the employee at termination or resignation. Below is the liquidation by fund:

General Fund	\$ 1,938,724
Tech Center	264,311
Child Nutrition	110,575
Total	<u>\$ 2,313,610</u>

Capital Leases:

In February 2019, the school district entered into a Ground Lease Agreement with the Oklahoma County Finance Authority (the "Authority") under which the district is leasing certain land upon which the Authority will construct improvements from the proceeds of \$77,060,000 in revenue bonds sold for that purpose. Improvements are to be constructed for so long as there are obligations outstanding, which are secured by the Ground Lease Agreement. The improvements to be constructed by the Authority consist of stadium renovations to Carl Albert Harris, Del City Kalsu, and Midwest City Darnell Stadiums, improvements to Kerr Middle School, Carl Albert Middle School, Monroney Middle School and Schwartz Elementary, Del City and Midwest City High School Performing Arts Centers renovations and various reoccurring District-wide projects. These facilities will be leased by the Authority to the school district pursuant to a sublease agreement enter into as of February 1, 2018. The sublease agreement between the Authority and the Mid-Del School District enables the district to lease back the property leased in the ground lease, and utilized the proceeds of the revenue bonds (issued by the Authority) for the construction and improvements on the property. The sublease agreement also provides a mechanism for the district to obtain title to the improvements free and clear of security interest. The District intends to finance the sublease agreements lease payments through a periodic issuance of Building Bonds which were authorized and approved by school district voters at an election held on October 10, 2017. These bonds are scheduled to be issued on dates, and in amounts, which coincide with sublease rental payments.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

5. General Long-Term Debt – cont'd

Capital Leases:

The trustee bank holds the cash and makes payments after authorization from the District. Amounts held by the trustee and available for draw down at June 30, 2022 are recorded as a receivable in the government wide statements.

Under the agreements, the District transferred ownership for land and facilities covered by the ground lease to the Authority. Ownership will revert to the District upon payment of the lease purchase acquisition payments. Accordingly, the original cost of the assets is expensed if the item does not meet the District's capitalization criteria.

The present value of minimum sublease payments is recorded in the District's long-term debt. Lease payments are primarily payable from the capital projects fund.

The future minimum lease obligations and the net present value of these lease payments as of June 30, 2022, were as follows:

Year ending June 30	Amount
2023	\$ 15,595,125
2024	10,503,125
2025	10,255,250
2026	11,801,875
2027	15,318,625
Total minimum lease payments	63,474,000
Less amount representing interest	(7,314,000)
Present value of minimum lease payments	\$ 56,160,000

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

5. General Long-Term Debt – cont'd

Capital Leases – cont'd

Pursuant to the sublease agreement, the District is also required to make the following rental payments:

Year ending June 30	Rental Payments
2023	\$ 3,000
2024	3,000
2025	3,000
2026	3,000
Total	<u>\$ 12,000</u>

6. Operating Leases

The District leases various business machines under operating lease agreements. The lease agreements are generally for one-year terms and subject to annual ratification. Management expects that in the normal course of business, leases that expire for the business machines will be renewed or replaced by other leases. The total rent expenditures were approximately \$82,547 for the year ended June 30, 2022.

Minimum future lease commitments under leases payable are as follows:

Year ending June 30	Amount
2023	\$ 2,711
2024	2,711
Total	<u>\$ 5,422</u>

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

7. Employee Retirement System

Oklahoma Teachers Retirement System

Plan Description:

The District participates in the OTRS, a cost-sharing multiple-employer public employee retirement system that is self-administered. OTRS provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established and may be amended by the legislature of the State of Oklahoma. Title 70 of the Oklahoma State Statutes assigns the authority for management and operation of OTRS to the Board of Trustees of the System. OTRS issues a publicly available annual financial report that can be obtained at www.ok.gov/TRS.

Benefits Provided:

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

Benefit Provisions Include:

- Members who joined the system prior to November 1, 2017 are fully vested after 5 years of contributory Oklahoma membership service. Those who join on or after November 1, 2017 are fully vested after seven years of contributory Oklahoma membership service and may choose to take an early, reduced retirement benefit, or stay to qualify for a regular, unreduced retirement benefit. Member who joined OTRS on June 30, 1992 or prior are eligible to retire at maximum benefits when age and years of creditable service total 80. Members joining OTRS after June 30, 1992 are eligible for maximum benefits when their age and year of creditable service total 90. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55, and at the age 62 receive unreduced benefits based on their years of service. The maximum retirement benefit is equal to 2 percent of final compensation for year of credited service.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

7. Employee Retirement System – cont'd

- Final compensation for members who joined OTRS prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining OTRS after June 30, 1992 is defined as the average of the five consecutive years of annual compensation in which contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995 to \$40,000 or \$25,000, depending on the member's election. Monthly benefits are 1/12 of the amount. Service credits accumulated after June 30, 1995 are calculated based on each member's final average compensation, except for certain employees of the two comprehensive universities. Upon the death of a member who has not yet retired, the designated beneficiary shall receive the member's total contributions plus 100 percent of interest earned through the end of the fiscal year, with interest rates varying based on time of service. A surviving spouse of a qualified member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.
- Upon the death of a retired member, OTRS will pay \$5,000 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.
- A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable year of credited service.
- Upon separation from OTRS, members' contributions to a tax-sheltered annuity program up to the exclusion allowance provided under the IRC under Code Section 403(b).

Contributions:

The contribution requirements of OTRS are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 7 percent of their annual compensation. The District paid the employees' required contribution. The amount paid by the District for employees totaled approximately \$4.6 million for the year ended June 30, 2022. The District's contribution rate is 9.5 percent for the year ended June 30, 2022. In addition, the District is required to match the State's contribution rate on salaries that are paid with federal funds. The District's contributions to OTRS in 2022 were \$7.2 million, equal to the annual required contributions each year. The District's matching contributions to OTRS in 2022 were \$0.6 million.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

7. Employee Retirement System – cont’d

The State makes a contribution on behalf of each teacher meeting minimum salary requirements (known as the OTRS years of services credit). The credit amount is determined based on years of services and ranges from \$60.15 per year for 0 years of service to \$1,410.53 per year for 25 years or more of service. For the fiscal year ended June 30, 2022, the State paid approximately \$637,000 on behalf of teachers employed at the District. In accordance with generally accepted accounting practices, the District recognized the on-behalf-of payments as revenue and expense/expenditure in the government wide and fund financial statements. These on behalf payments do not meet the definition of a special funding situation.

The State of Oklahoma is also required to contribute to the System on behalf of the participating employers. For 2022, the State of Oklahoma contributed 5 percent of state revenues from sales and use taxes and individual income taxes, to the System on behalf of participating employers. The District has estimated the amounts contributed to the System by the State of Oklahoma on its behalf based on a contribution rate provided to the District. For the year ended June 30, 2022, the total amount contributed to the System by the State of Oklahoma on behalf of the District was approximately \$4,831,331. In accordance with generally accepted accounting practices, District recognized the on-behalf-of payments as revenue and expense/expenditure in the government fund financial statements. These on-behalf payments do not meet the definition of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2022, the District reported a liability of \$79,290,697 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District’s proportion of the net pension liability was based on the District’s contributions to OTRS relative to total contributions of OTRS for all participating employees for the year ended June 30, 2021. Based upon this information, the District’s proportion was 1.55203330 percent.

For the year ended June 30, 2022, the District recognized pension expense of \$11.3 million. June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

7. Employee Retirement System – cont'd

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,228,202	(2,948,551)
Changes in Assumptions	12,334,430	(789,636)
Net difference between projected and actual earnings on pension plan investments	-	(41,182,628)
Changes in proportionate and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	7,814,149	-
Total	<u>\$ 25,376,781</u>	<u>(44,920,815)</u>

Deferred pension outflows totaling \$7.8 million resulting from the District's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The net deferred pension inflows totaling approximately \$45 million will be recognized in pension expense using the average expected remaining life of the Plan. The average expected remaining life of the Plan is determined by taking the calculated total future service years of the Plan divided by the number of people in the Plan including retirees. The total future service years of the Plan are estimated at 5.27 years at June 30, 2021 and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan.

Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30	Amount
2022	\$ (6,043,428)
2023	(3,398,958)
2024	(5,393,492)
2025	(12,399,754)
2026	(122,551)
Total	<u>\$ (27,358,183)</u>

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

7. Employee Retirement System – cont'd

Actuarial Assumptions:

The total pension liability was determined based on an actuarial valuation prepared as of June 30, 2021 using the following actuarial assumptions:

- Actuarial Cost Method—Entry Age Normal
- Amortization Method—Level Percentage of Payroll
- Amortization Period—Amortization over an open 20-year period
- Asset Valuation Method—5-year smooth market
- Inflation—2.25 percent
- Salary Increases—Composed of 2.25 percent inflation, plus .75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service
- Investment Rate of Return—7.00 percent, net of expenses and compounded annually
- Retirement Age—Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five-year experience study for the period ending June 30, 2019.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study, dated July 15, 2020, for the period July 1, 2014-June 30, 2019 and in conjunction with the five-year-experience study for the period ending June 30, 2019.

Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

7. Employee Retirement System – cont'd

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2021, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	43.5%	4.3%
International Equity	19.0%	5.2%
Fixed Income	22.0%	0.4%
Real Estate *	9.0%	4.3%
Alternative Assets	6.5%	6.5%
Total	100.0%	

* - The Real Estate total expected return is a combination of US Direct Real Estate (unlevered) and US Value added Real Estate (unlevered)

Discount Rate:

The discount rate used to measure the total pension liability was 7.0 percent. The single discount rate was based solely on the expected investment rate of return on pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following table presents the net pension liability of the District calculated using the discount rate of 7.0 percent, as well as what the District's net pension liability would be if OTRS calculated the total pension liability using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's net pension liability	\$ 129,601,944	\$ 79,290,697	\$ 37,639,818

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

8. Sanctioned Organizations

The following entities are separately constituted and, accordingly, their financial position and results of operations have not been presented in the accompanying financial statements. The board of education does not appoint officers. The board of education is not responsible for approving budgets, contracts, key personnel, fiscal matters or day-to-day operations of the entity.

Barnes Elementary PTA	Jarman MS Band Parents Assoc.	Del City HS Homerun Club
Cleveland Bailey PTSA	Jarman MS Cheerleaders	DC Tip-In-Club
Country Estates Elem. PTA	Jarman MS PTSA	Del City HS Quarterback Club
Del City Elementary PTA	Kerr MS Band Parent Association	Del City HS Midfielders Booster Club
East Side Elementary PTA	Kerr MS Cheer Booster Club	MCHS Boys Basketball Tip In Club
Epperly Heights Elem. PTA	Kerr MS PTSA	Del City HS Fastpitch
Highland Park Elementary PTA	Monroney MS Band Boosters	DCHS Swim Team Parents Assoc.
Parkview Elementary PTA	Monroney MS Orchestra	DCHS Aires Patrons Organization
Pleasant Hill Elementary PTA	Monroney MS Cheer Booster Club	DCHS Orchestra Boosters
Ridgecrest Elementary PTA	Monroney MS PTA	Del City HS Volleyball Booster Club
Schwartz Elementary PTA	Carl Albert HS Band Boosters	Del City HS Take Down Club
Soldier Creek Elementary PTA	Carl Albert HS Homerun Club	MCHS Band Parents Association
Soldier Creek Natural Notes	Carl Albert HS Basketball Tip In Club	Midwest City HS Homerun Club
Parents Association	CAHS Cheerleader Parent Account	MCHS Girls BB Booster Club
Tinker Elementary PTA	Carl Albert HS Cross Country	Midwest City HS Boys Basketball
Townsend Elementary PTA	Carl Albert HS Quarterback Club	MCHS Cheer Parent Booster
Carl Albert MS Band Parents Club	Carl Albert HS Pom Pon Booster Club	Midwest City HS Quarterback Club
CAMS Cheer Parent Assoc.	Carl Albert HS PTSA	MCHS Bomber Golf Boosters
Carl Albert MS Pom	CAHS Titans Soccer Boosters	Midwest City HS Pom Pon Squad
Carl Albert MS PTSA	Carl Albert HS Softball Booster Club	MCHS Soccer Booster Club
Carl Albert MS Swim	Carl Albert HS Swim Club	Midwest City HS Swim Club
Carl Albert MS Vocal Music	CAHS Vocal Music Booster Club	MCHS Lady Bomber Softball Booster
Carl Albert MS Mat Club	Carl Albert HS Sideout Booster Club	Midwest City HS Volleyball
Del Crest MS Bank Boosters	Carl Albert Orchestra Booster	MCHS Chorus Booster Club
Del Crest MS Orchestra	Carl Albert HS Track	Midwest City HS Bomber Mat Club
Del Crest MS Choral Booster	Carl Albert HS Takedown Club	Mid-Del Orchestra
Del Crest MS PTA	Del City HS Band Boosters	Mid-Del PTA Council

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

9. Risk Management

The District administered a self-insurance workers' compensation fund for District employees until June 30, 2018. Currently, the District is now insured through Oklahoma Schools Assurance Group (OSAG). The self-insurance program was administered by an independent third-party and covers workers' compensation expenses for employees. In order to mitigate the risk associated with this program, the District has purchased individual "stop loss" insurance of \$1,000,000. The District made payments to the internal service fund based on estimates of the amounts needed to pay prior and current year claims. As of the end of the fiscal year, it was determined that the liability for incurred claims approximately \$439,232. Changes in the claims liability were as follows:

Fiscal Year	Beginning Balance	Claims Incurred	Claims Paid	Ending Balance
2021- 2022	439,232	0	(89,380)	349,852

The District purchases commercial insurance for all other types of risk including, but not limited to, property, casualty, vehicles, and employee life. Settlements have not exceeded insurance coverage for each of the past three fiscal years.

The full amount of the claims liability at June 30, 2022 is expected to be paid during fiscal year 2022.

10. Surety Bonds

The District has a Position Schedule Bond with Travelers Casualty and Surety Company of America Bond #106118502, for the period of July 1, 2021 to June 30, 2022, covering the following positions/amounts:

Superintendent	\$ 100,000	Director of Accounting	\$ 25,000
Treasurer	350,000	Child Nutrition Director	25,000
Assistant Treasurer	350,000	Accounts Payable Clerk	25,000
Encumbrance Clerk	100,000	Child Nutrition Clerk	25,000
Payroll Clerk	100,000	Activity Clerk	25,000
Treasurer's Clerk	100,000	Deputy Minutes Clerk	25,000
Minutes Clerk	25,000		

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

11. New/Adopted Pronouncements

The GASB has issued several new accounting pronouncements, which will be effective to the District in both the reported and subsequent years. A description of the new accounting pronouncements applicable to the District, the fiscal year in which they are effective, and the District's consideration of the impact of these pronouncements are described below:

Adopted: Fiscal Year Ended June 30, 2022

GASB, Statement No. 91, *Conduit Debt Obligations*, issued May 2019. The object of Statement No. 91 is to establish a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The requirements of this Statement are effective for periods beginning after December 15, 2020 as originally established, however GASB Statement No. 95 allows governments to postpone implementation for one year. The District does not have conduit debt obligations for the fiscal year ending June 30, 2021. Should management decision obligate the district to conduit debt in the future, the District will evaluate the impact and report the debt accurately according to the Statement.

GASB, Statement No. 92, *Omnibus 2021*, issued January 2020. The object of Statement No. 92 is to address a variety of topics to enhance comparability in accounting and financial reporting and improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for periods beginning after June 15, 2021 as originally established, however GASB Statement No. 95 allows governments to postpone implementation for one year. The District has considered the requirements of this statement in the 2022 fiscal year.

GASB, Statement No. 93, *Replacement of Interbank Offered Rates*, issued March 2020. The object of Statement No. 93 is to address accounting and financial reporting issues and implications that result from the replacement of an interbank offered rates. The requirements of this Statement are effective for periods beginning after June 15, 2020, June 15, 2021 and December 31, 2021, depending on the paragraph, as originally established, however GASB Statement No. 95 allows governments to postpone implementation for one year. The District does not currently engage in transactions applicable to this statement.

GASB, Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2021. The object of Statement No. 94 is to address issues related to public-private and public-public partnership arrangements (PPPs). The Statement also provides guidance for accounting and financial reporting for availability

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

11. New/Adopted Pronouncements – cont'd

payment arrangements (APAs). The requirements of this Statement are effective for periods beginning after June 15, 2021. The District currently does not participate in any PPPs or APAs.

GASB, Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2021. The object of Statement No. 96 is to provide guidance for accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. The District is currently evaluating the impact that these new standards may have on its financial statements.

GASB, Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, issued June 2021. The object of Statement No. 97 is to provide guidance regarding the financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The Statement will also enhance (1) information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Paragraphs 4 and 5 of the above Statement were effective immediately whereas the remaining requirement of this Statement are effective for periods beginning after June 15, 2022.

The District currently does not participate in component units, defined contribution pension plans, or defined contribution OPEB plans. The District is currently evaluating the impact of the remaining paragraphs and how these new standards may have on its financial statements.

New Accounting Pronouncements Issued Not Yet Adopted: None.

12. Subsequent Events

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

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2022
LAST 10 YEARS *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>As of June 30, 2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	1.55%	1.67%	1.66%	1.66%	1.75%	1.65%	1.66%	1.65%
Proportionate share of the net pension liability	\$ 79,290,697	\$ 158,626,216	\$ 109,967,540	\$ 100,183,700	\$115,630,011	\$137,373,683	\$100,913,059	\$ 88,880,852
Covered payroll	\$ 75,133,999	\$ 74,862,779	\$ 79,291,499	\$ 76,626,141	\$ 64,032,397	\$ 66,932,668	\$ 66,929,860	\$ 65,939,633
Proportionate share of the net pension liability as percentage of covered-employee payroll	105.53%	211.89%	138.69%	130.74%	180.58%	205.24%	150.77%	134.79%
Plan's fiduciary net position	\$ 98,834,732	\$ 115,008,081	\$ 98,095,686	\$ 96,697,773	\$108,410,195	\$100,706,830	\$110,226,600	\$101,021,665
Plan fiduciary net position as a percentage of the total pension liability	124.65%	72.50%	89.20%	96.52%	93.76%	73.31%	109.23%	113.66%

Notes to schedule:

* GASB Statement No. 68 requires ten years of information to be presented in this table. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2022

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contributions Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2022	\$ 7,814,149	7,814,149	-	75,133,999	10.40%
2021	7,747,150	7,747,150	-	74,862,779	10.35%
2020	8,131,088	8,131,088	-	79,291,499	10.25%
2019	7,892,184	7,892,184	-	76,626,141	10.30%
2018	6,777,253	6,777,253	-	65,819,885	10.30%
2017	6,648,486	6,648,486	-	64,032,397	10.38%
2016	6,993,055	6,993,055	-	66,932,668	10.45%
2015	6,934,426	6,934,426	-	66,929,860	10.36%
2014	6,840,819	6,840,819	-	65,939,633	10.37%
2013	6,812,170	6,812,170	-	66,114,485	10.30%
2012	6,607,386	6,607,386	-	65,723,481	10.05%

Notes to Required Supplementary Information:

The Districts' statutorily required contribution rate has changed over the prior 10 years as follows:

January 1, 2010 to present	9.50%
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INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	(budgetary basis)	(final budget)
Revenues:				
Property tax	\$ 21,126,500	21,135,000	21,181,838	(46,838)
Interest	60,000	60,000	69,856	(9,856)
County	4,150,000	4,150,000	4,767,027	(617,027)
State	66,746,501	66,521,136	67,928,514	(1,407,378)
Federal	45,610,399	44,659,768	23,249,709	21,410,059
Local	360,300	567,373	668,817	(101,444)
Total revenues	<u>138,053,700</u>	<u>137,093,277</u>	<u>117,865,761</u>	<u>19,227,516</u>
Expenditures:				
Instruction	59,026,041	70,877,844	66,304,066	4,573,778
Support services	70,111,106	48,025,524	44,088,683	3,936,841
Non-instructional services	241,186	299,190	330,921	(31,731)
Capital outlays		175,978	175,978	-
Other outlays	2,835,876	14,709,089	106,104	14,602,985
Total expenditures	<u>132,214,209</u>	<u>134,087,625</u>	<u>111,005,752</u>	<u>23,081,873</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,839,491</u>	<u>3,005,652</u>	<u>6,860,009</u>	<u>(3,854,357)</u>
Other financing sources (uses):				
Non-revenue receipts			48,349	(48,349)
Total other financing sources	<u>-</u>	<u>-</u>	<u>48,349</u>	<u>(48,349)</u>
Net change in fund balance	<u>5,839,491</u>	<u>3,005,652</u>	<u>6,908,358</u>	<u>(3,902,706)</u>
Fund balance, beginning of year	<u>6,614,874</u>	<u>7,955,968</u>	<u>7,955,968</u>	<u>-</u>
Cash fund balance, end of year <i>budgetary basis</i>	<u>\$ 12,454,365</u>	<u>10,961,620</u>	<u>14,864,326</u>	<u>(3,902,706)</u>
Adjustments to conform with GAAP				
Inventory			311,187	
Receivables at year end less unavailable revenues			6,646,294	
Accounts payable at year end			(23,388)	
Fund balance, end of year - <i>modified accrual basis</i>			<u>\$ 21,798,419</u>	

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUILDING FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	(budgetary basis)	(final budget)
Revenues:				
Property tax	\$ 3,036,231	3,036,241	3,023,034	13,207
State	1,039,294	1,039,344	267,606	771,738
Federal	290,000	290,000	461,945	(171,945)
Local			22	(22)
Total revenues	<u>4,365,525</u>	<u>4,365,585</u>	<u>3,752,607</u>	<u>612,978</u>
Expenditures:				
Instruction	4,418	293,405	226,185	67,220
Support services	5,326,024	5,028,403	3,178,809	1,849,594
Capital outlays	111,018	119,652	8,634	111,018
Other outlays			22	(22)
Total expenditures	<u>5,441,460</u>	<u>5,441,460</u>	<u>3,413,650</u>	<u>2,027,810</u>
Net change in fund balance	(1,075,935)	(1,075,875)	338,957	1,414,832
Fund balance, beginning of year	<u>4,070,147</u>	<u>4,755,895</u>	<u>4,755,895</u>	<u>-</u>
Cash fund balance, end of year <i>budgetary basis</i>	<u>\$ 2,994,212</u>	<u>3,680,020</u>	<u>5,094,852</u>	<u>1,414,832</u>
Adjustments to conform with GAAP				
Inventory			249,133	
Receivables at year end				
less unavailable revenues			22,740	
Accounts payable at year end			<u>(123,231)</u>	
Fund balance, end of year - <i>modified accrual basis</i>			<u>\$ 5,243,494</u>	

OTHER SUPPLEMENTARY INFORMATION

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>Special Revenue Fund</u>
	<u>Child Nutrition</u>
Assets	
Cash and cash equivalents	\$ 3,212,258
Receivables net of allowance for uncollectibles	48,469
Inventories	<u>142,370</u>
Total assets	<u>3,403,097</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities	
Accounts payable	61,849
Accrued wages	<u>204,554</u>
Total liabilities	<u>266,403</u>
Fund Balances	
Nonspendable:	
Inventory	142,370
Restricted fund balances:	
School construction	
Custodial funds	
Child nutrition	2,994,324
Assigned	
Total fund balances	<u>3,136,694</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,403,097</u>

See Notes to Basic Financial Statements

Capital Projects Funds

						Total Other Governmental Funds
Bond 34	Bond 35	Bond 36	Bond 39	Custodial Funds	Casualty/ Insurance	
\$ 104,688	3,334,947	452,744	93,673	2,195,717	1,222,195	10,616,222
						48,469
						142,370
104,688	3,334,947	452,744	93,673	2,195,717	1,222,195	10,807,061
	14,459			23,237	25,254	124,799
						204,554
-	14,459	-	-	23,237	25,254	329,353
						142,370
104,688	3,320,488	452,744	93,673			3,971,593
				2,172,480		2,172,480
						2,994,324
					1,196,941	1,196,941
104,688	3,320,488	452,744	93,673	2,172,480	1,196,941	10,477,708
\$ 104,688	3,334,947	452,744	93,673	2,195,717	1,222,195	10,807,061

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>Special Revenue Fund</u>
	<u>Child Nutrition</u>
Revenues:	
Interest	\$ 6,347
State	439,587
Federal	6,376,117
Local	161,560
Other	3,875
Total revenues	<u>6,987,486</u>
Expenditures:	
Instruction	
Support services	
Non-instruction services	5,346,422
Capital outlays	
Other outlays	3,875
Total expenditures	<u>5,350,297</u>
Excess (deficiency) of revenues over expenditures	<u>1,637,189</u>
Other financing sources (uses)	
Proceeds of bonds	
Insurance loss recovery	
Total other financing sources (uses)	<u>-</u>
Net change in fund balances	1,637,189
Fund balance, beginning of year	<u>1,499,505</u>
Fund balance, end of year	<u>\$ 3,136,694</u>

See Notes to Basic Financial Statements

Capital Project Funds

Bond 34	Bond 35	Bond 36	Bond 39	Custodial Funds	Casualty/ Insurance	Total Other Governmental Funds
\$ 290	7,340	1,732	250	5,022		20,981
						439,587
				613,355		6,989,472
				3,142,946		3,304,506
	115			362,498		366,488
290	7,455	1,732	250	4,123,821	-	11,121,034
	396,489	296,837		790,506		1,483,832
247,557	639,591	1,347,567	855,552	1,987,581	30,544	5,108,392
	82,976			664,529		6,093,927
11,920	11,136,603	611,960				11,760,483
				629,252		633,127
259,477	12,255,659	2,256,364	855,552	4,071,868	30,544	25,079,761
(259,187)	(12,248,204)	(2,254,632)	(855,302)	51,953	(30,544)	(13,958,727)
	13,763,200	1,570,000	900,000			16,233,200
					107,740	107,740
-	13,763,200	1,570,000	900,000	-	107,740	16,340,940
(259,187)	1,514,996	(684,632)	44,698	51,953	77,196	2,382,213
363,875	1,805,492	1,137,376	48,975	2,120,527	1,119,745	8,095,495
\$ 104,688	3,320,488	452,744	93,673	2,172,480	1,196,941	10,477,708

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	(budgetary basis)	(final budget)
Revenues:				
Property tax	\$ 17,366,303	17,366,303	16,189,967	1,176,336
Interest	3,300	4,000	3,943	57
State			223	(223)
Total revenues	<u>17,369,603</u>	<u>17,370,303</u>	<u>16,194,133</u>	<u>1,176,170</u>
Expenditures:				
Other outlays				-
Debt service	18,750,000	18,750,000	18,611,045	138,955
Total expenditures	<u>18,750,000</u>	<u>18,750,000</u>	<u>18,611,045</u>	<u>138,955</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,380,397)</u>	<u>(1,379,697)</u>	<u>(2,416,912)</u>	<u>1,037,215</u>
Other financing sources, bond premium		519,202	519,202	-
Net change in fund balance	<u>(1,380,397)</u>	<u>(860,495)</u>	<u>(1,897,710)</u>	<u>1,037,215</u>
Fund balance, beginning of year	<u>10,250,695</u>	<u>10,218,446</u>	<u>10,218,446</u>	<u>-</u>
Cash fund balance, end of year <i>budgetary basis</i>	<u>\$ 8,870,298</u>	<u>9,357,951</u>	<u>8,320,736</u>	<u>1,037,215</u>
Adjustments to conform with GAAP				
Receivables at year end less unavailable revenues			<u>121,692</u>	
Fund balance, end of year - <i>modified accrual basis</i>			<u>\$ 8,442,428</u>	

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
BUDGETARY COMPARISON SCHEDULE - CHILD NUTRITION FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance
	Original	Final	(budgetary basis)	(final budget)
Revenues:				
Interest	\$ 2,000	2,000	6,347	(4,347)
State	468,600	468,600	439,587	29,013
Federal	6,302,727	6,311,908	6,327,648	(15,740)
Local	135,190	135,190	161,560	(26,370)
Other	3,065	3,065	3,875	(810)
Total revenues	<u>6,911,582</u>	<u>6,920,763</u>	<u>6,939,017</u>	<u>(18,254)</u>
Expenditures:				
Support services				-
Non-instructional services	6,538,081	6,573,206	5,303,879	1,269,327
Other outlays	2,975	13,875	3,875	10,000
Total expenditures	<u>6,541,056</u>	<u>6,587,081</u>	<u>5,307,754</u>	<u>1,279,327</u>
Excess (deficiency) of revenues over (under) expenditures	<u>370,526</u>	<u>333,682</u>	<u>1,631,263</u>	<u>(1,297,581)</u>
Other financing sources (uses):				
Cash or change				-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>370,526</u>	<u>333,682</u>	<u>1,631,263</u>	<u>(1,297,581)</u>
Fund balance, beginning of year	<u>1,005,316</u>	<u>1,376,441</u>	<u>1,376,441</u>	<u>-</u>
Cash fund balance, end of year <i>budgetary basis</i>	<u>\$ 1,375,842</u>	<u>1,710,123</u>	<u>3,007,704</u>	<u>(1,297,581)</u>
Adjustments to conform with GAAP				
Inventory			142,370	
Receivables at year end			48,469	
Accounts payable at year end			(61,849)	
Fund balance, end of year - <i>modified accrual basis</i>			<u>\$ 3,136,694</u>	

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
BUDGETARY COMPARISON SCHEDULE - TECH CENTER
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	(budgetary basis)	(final budget)
Revenues:				
Interest	\$ 8,500	8,500	16,738	(8,238)
State	1,845,387	1,846,387	1,859,368	(12,981)
Federal	1,912,518	2,062,530	1,007,555	1,054,975
Local	3,530,526	3,584,526	5,300,405	(1,715,879)
Other			480,718	(480,718)
Total revenues	<u>7,296,931</u>	<u>7,501,943</u>	<u>8,664,784</u>	<u>(1,162,841)</u>
Expenditures:				
Instruction	3,286,193	2,893,503	2,701,331	192,172
Support services	3,311,543	4,324,706	3,881,704	443,002
Non-instructional services	12,542			-
Other outlays	771,507	163,576	3	163,573
Total expenditures	<u>7,381,785</u>	<u>7,381,785</u>	<u>6,583,038</u>	<u>798,747</u>
Net change in fund balance	(84,854)	120,158	2,081,746	(1,961,588)
Fund balance, beginning of year	<u>6,226,480</u>	<u>6,617,721</u>	<u>6,617,721</u>	<u>-</u>
Cash fund balance, end of year <i>budgetary basis</i>	<u>\$ 6,141,626</u>	<u>6,737,879</u>	8,699,467	<u>(1,961,588)</u>
Adjustments to conform with GAAP				
Receivables at year end			359,210	
Accounts payable at year end			(42,380)	
Fund balance, end of year - <i>modified accrual basis</i>			<u>\$ 9,016,297</u>	

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
BUDGETARY COMPARISON SCHEDULE - TECH CENTER BUILDING FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	(budgetary basis)	(final budget)
Revenues:				
Local	\$ 1,738,548	1,738,548	1,930,244	(191,696)
Total revenues	<u>1,738,548</u>	<u>1,738,548</u>	<u>1,930,244</u>	<u>(191,696)</u>
Expenditures:				
Instruction		85,000	27,421	57,579
Support services	291,200	280,003	43,587	236,416
Capital outlays	1,708,800	1,634,997	798,883	836,114
Total expenditures	<u>2,000,000</u>	<u>2,000,000</u>	<u>869,891</u>	<u>1,130,109</u>
Net change in fund balance	(261,452)	(261,452)	1,060,353	(1,321,805)
Fund balance, beginning of year	<u>6,855,297</u>	<u>7,876,872</u>	<u>7,876,872</u>	<u>-</u>
Cash fund balance, end of year <i>budgetary basis</i>	<u>\$ 6,593,845</u>	<u>7,615,420</u>	8,937,225	<u>(1,321,805)</u>
Adjustments to conform with GAAP				
Receivables at year end			-	
Fund balance, end of year - <i>modified accrual basis</i>			<u>\$ 8,937,225</u>	

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2021	Revenue Collected	Total Expenditures	Ending Balance 6/30/2022
<u>U.S. Department of Education</u>							
<u>Direct Programs:</u>							
Title VII Impact Aid							
Title VII Impact Aid-GF	84.041	591	\$ 984		984	984	
Title VII Impact Aid-GF	84.041	592	40,545	189	40,545	525	40,209
Title VII Impact Aid-BF	84.041	591	461,945	1,302,798	461,945	1,764,743	
Subtotal - Title VII Impact Aid Program			503,474	1,302,987	503,474	1,766,252	40,209
Title VI-Part A, Indian Education	84.060	561	208,918		152,204	208,918	(56,714)
Title VI-Part A, Indian Education 2020-21	84.060	799		(83,970)	83,970		
Pell Grant	84.063	474	275,223		275,223	275,223	
Subtotal - Direct Programs			987,615	1,219,017	1,014,871	2,250,393	(16,505)
<u>Passed Through State Department of Education:</u>							
Title I Cluster:							
Title I-Part A, Improving Basic Programs	84.010	511	4,159,062		2,712,340	3,721,921	(1,009,581)
Title I-Part A, Improving Basic Programs 2020-21	84.010	799		(669,110)	669,110		
Title I-School Improvement	84.010	515	544,310		300,942	409,785	(108,843)
Title I-School Improvement 2020-21	84.010	799		(24,812)	24,812		
Title I-Part A, Neglected	84.010	518	112,262		82,619	88,908	(6,289)
Title I-Part A, Neglected	84.010	799		(14,346)	14,346		
Subtotal - Title I Program (Cluster)			4,815,634	(708,268)	3,804,169	4,220,614	(1,124,713)
Title II Cluster:							
Title II-Part A, Teacher & Principal Training	84.367	541	904,071		542,408	633,785	(91,377)
Title II-Part A 2020-21	84.367	799		(185,137)	185,137		
Title IV-SSAE Grant	84.424A	552	240,438		240,438	240,438	
Subtotal - Title II Program (Cluster)			1,144,509	(185,137)	967,983	874,223	(91,377)
Title III-Part A, ELA	84.365	572	64,827		59,710	64,472	(4,762)
Title III-Part A, ELA 2020-21	84.365	799		(5,673)	5,673		
Title IX-Part A, Homeless	84.196	596	37,921		20,091	29,924	(9,833)
Title IX-Part A, Homeless 2020-21	84.196	799		(16,241)	16,241		
* Education Stabilization Funds (Covid19)							
Counselor Grant (Covid19)	84.425U	722	32,000		23,413	32,000	(8,587)
ARP/ESSER III Student Teacher Stipends (Covid19)	84.425U	725	8,745		6,996	8,745	(1,749)
ESSERF (Covid19)	84.425D	788	75,894		73,885	74,335	(450)
ESSERF (Covid19) 2020-21	84.425D	799	\$ -	(31,971)	31,971		

**INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass Through	Federal CFDA	Pass-through Grantor's Project	Program or Award	Beginning Balance	Revenue	Total	Ending Balance
<u>Grantor/Program Title</u>	<u>Number</u>	<u>Number</u>	<u>Amount</u>	<u>7/1/2021</u>	<u>Collected</u>	<u>Expenditures</u>	<u>6/30/2022</u>
ESSER II Formula Funding (Covid19)	84.425D	793	\$ 4,281,490		2,644,399	3,324,706	(680,307)
ESSER II Formula Funding (Covid19) 2020-21	84.425D	799		(3,504,726)	3,504,726		
ARP/ESSER III (Covid19)	84.425U	795	28,406,477		8,943,282	12,490,809	(3,547,527)
ARP/ESSER III Homeless I (Covid19)	84.425U	796	87,686		2,015	2,295	(280)
HEERF (Covid19) CF	84.425N	415	41,319		41,281	41,281	
HEERF (Covid19) CF	84.425N	799		(238,079)	238,079		
HEERF II (Covid19) CF	84.425F	416	293,624		257,121	293,624	(36,503)
HEERF (Covid19) CF	84.425F	799		(18,896)	18,896		
ARP HEERF III (Covid19) - CF	84.425T	417	338,131		221,210	291,666	(70,456)
ARP HEERF III (Covid19) - PGF	84.425T	417	338,132		338,132	338,132	
Subtotal - Education Stabilization Funds (Covid19)			33,903,498	(3,793,672)	16,345,406	16,897,593	(4,345,859)
Special Education Cluster:							
IDEA-B Discretionary	84.027	613	975		975	975	
IDEA-B Discretionary	84.027	615	30,208		14,375	16,109	(1,734)
IDEA-B Discretionary 2020-21	84.027	799		(5,445)	5,445		
IDEA-COVID Assist	84.027	799		(17,464)	17,464		
IDEA-B Flowthrough	84.027	621	3,624,166		1,759,255	2,227,983	(468,728)
IDEA-B Flowthrough 2020-21	84.027	799		(534,333)	534,333		
IDEA-B Flowthrough, Private Schools	84.027	625	78,275			794	(794)
ARP/IDEA-B Flowthrough	84.027X	628	763,393		83,374	198,194	(114,820)
IDEA-B Preschool	84.173	641	81,117		47,534	63,374	(15,840)
IDEA-B Preschool 2020-21	84.173	799		(14,642)	14,642		
Subtotal - Special Education Program (Cluster)			4,578,134	(571,884)	2,477,397	2,507,429	(601,916)
Subtotal - Passed Through State Dept of Education			44,544,523	(5,280,875)	23,696,670	24,594,255	(6,178,460)
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins Cluster:							
Carl Perkins Grant - GF	84.048	421	144,610		20,243	130,295	(110,052)
Carl Perkins Grant - GF	84.048	799		(17,913)	17,913		
Carl Perkins Grant - Tech	84.048	421	107,931		60,849	102,009	(41,160)
Carl Perkins Grant - Tech	84.048	799		(55,780)	55,780		
Tech Centers That Work	84.048	429	12,000		11,650	11,650	
Subtotal - Carl Perkins Programs (Cluster)			264,541	(73,693)	166,435	243,954	(151,212)
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education:</u>							
P-EBT Program	10.649	760	\$ 5,814		5,814	5,814	

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through <u>Grantor/Program Title</u>	Federal CFDA <u>Number</u>	Pass-through Grantor's Project <u>Number</u>	Program or Award <u>Amount</u>	Beginning Balance <u>7/1/2021</u>	Revenue <u>Collected</u>	Total <u>Expenditures</u>	Ending Balance <u>6/30/2022</u>
* Child Nutrition Cluster:							
Cash Assistance:							
Commodity Credit Corp	10.555	759			248,583	248,583	
Emergency Operational Cost Reimbursement (Covid19)	10.555	762			374,337	374,337	
National School Lunch Program	10.555	763		804,773	4,519,092	2,662,468	2,661,397
School Breakfast Program	10.553	764			1,155,325	880,624	274,701
Summer Food Program	10.559	766		566,893	24,497	519,785	71,605
<i>Cash Assistance Subtotal</i>				<u>1,371,666</u>	<u>6,321,834</u>	<u>4,685,797</u>	<u>3,007,703</u>
<u>Passed Through State Department of Human Services:</u>							
Non-cash Assistance (Commodities)	10.555	N/A			632,823	632,823	
Subtotal - Child Nutrition Program (Cluster)				<u>1,371,666</u>	<u>6,954,657</u>	<u>5,318,620</u>	<u>3,007,703</u>
<u>U.S. Department of Defense:</u>							
<u>Direct Programs:</u>							
JROTC Program:							
JROTC - Air Force	12.401	774	\$ 132,131		128,566	132,131	(3,565)
JROTC - Air Force	12.401	775	127,115		99,852	127,115	(27,263)
JROTC - Air Force	12.401	799		(20,920)	20,920		
Subtotal - U.S. Dept. of Defense			<u>259,246</u>	<u>(20,920)</u>	<u>249,338</u>	<u>259,246</u>	<u>(30,828)</u>
<u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130	563	51,868	41,575	10,292	1,767	50,100
Temporary Assistance for Needy Families	93.558	452	173,000		65,788	136,191	(70,403)
Temporary Assistance for Needy Families 2020-21	93.558	799		(36,901)	36,901		
OJT-Rehabilitation Services	84.126	456	8,095	(2,393)	8,095	5,702	
Subtotal - Other Federal Assistance			<u>232,963</u>	<u>2,281</u>	<u>121,076</u>	<u>143,660</u>	<u>(20,303)</u>
Total Federal Assistance			<u>\$ 46,288,888</u>	<u>(2,782,524)</u>	<u>32,203,047</u>	<u>32,810,128</u>	<u>(3,389,605)</u>

* Major federal programs

Note 1 - Commodities received by the District in the amount of \$632,823 were of a non-monetary nature and therefore the total revenue does not agree with the financial statements by this amount. These commodities are reported at fair market value.

Note 2 - There were no amounts passed to subrecipients.

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

Note 4 - The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Expenditures are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements. These expenditures are recognized following the cost principles contained in the Uniform Guidance. The District has also elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 5 - Expenditures under the Title II Program cluster includes \$240,438 in Title IV-Part A funds that were transferred to the Title II-Part A program.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

1. General

The schedule of expenditures of federal awards presents the activity of all federal award programs of Midwest City-Del City School District (the District). The District reporting entity is defined in the notes to the District's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the schedule. There were no amounts passed to subrecipients.

2. Basis of Accounting

The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures are reported on the regulatory basis of accounting, as prescribed by the Oklahoma State Department of Education, which is considered an other comprehensive basis of accounting. Therefore, some material presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has also elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

3. Non-cash Federal Awards

The District receives food commodities from the U.S. Department of Agriculture for use in its foodservice program. The commodities, in the amount of \$359,008, are recognized as revenue when received and are reported at fair market value.

4. Prior Year Reimbursements

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



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

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

The Honorable Board of Education
Midwest City-Del City School District
Midwest City, OK 73110

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Midwest City-Del City School District No. I-52, Midwest City, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 2, 2022. This report was unqualified with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

December 2, 2022



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

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

The Honorable Board of Education
Midwest City-Del City School District No. I-52
Midwest City, Oklahoma 73110

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Midwest City-Del City School District No. I-52, Midwest City, Oklahoma's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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, Midwest City-Del City School District No. I-52, Midwest City, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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* (The 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 Midwest City-Del City School District No. I-52, Midwest City, Oklahoma 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 the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government 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 limitations, 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.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

December 2, 2022

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JULY 1, 2021 TO JUNE 30, 2022

Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements in conformity with generally accepted accounting principles.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of the District were reported during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance"
5. An unqualified opinion report was issued on the compliance of major federal award programs.
6. The audit disclosed no audit findings and questioned costs, which are required to be reported under OMB Uniform Guidance.
7. Identification of Major Programs: Education Stabilization Fund (84.425D,84.425F, 84.425N,84.425T,84.425U) programs and Child Nutrition (10.553,10.555,10.559) programs, which were each clustered in the determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The District did qualify to be a low-risk auditee.

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Award Programs Audit

None

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
DISPOSITION OF PRIOR YEAR FINDINGS
JULY 1, 2021 TO JUNE 30, 2022**

Findings Related to the Financial Statement Audit:

There were no prior year findings.

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2021 TO JUNE 30, 2022**

State of Oklahoma)
County of Tulsa)

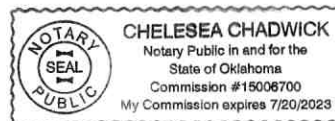
The undersigned auditing firm representative of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Midwest City-Del City School District for the audit year 2021-2022.

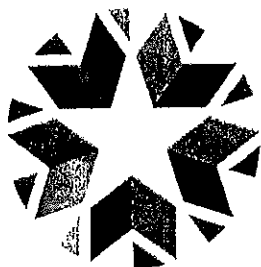
Jenkins & Kemper, CPAs, P.C.
AUDITING FIRM

BY 
AUTHORIZED AGENT

Subscribed and sworn to before me on this
2nd day of, December, 2022


NOTARY PUBLIC





OKLAHOMA
Education

Audit Acknowledgement

Audit Year: 2021-2022

District Name Midwest City-Del City Public School

District Number 1-52

County Name **Oklahoma**

County Code 55

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 Dec. 12, 2022.

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

~~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:

Will

Superintendent


Board of Education President


Board of Education Vice President

Board of Education Vice President

Board of Education Member

Imme Niles
Board of Education Member

Board of Education Member

Board of Education Member

Board of Education Member

Subscribed and sworn before me on Dec. 12, 2022

My Commission expires 12/20/23

Sharon Wilson
(Notary Public)

JEANANNE WILSON
NOTARY PUBLIC
COMMISSION NO. 11011410
OKLAHOMA COUNTY
STATE OF OKLAHOMA

Updated 7/2021

Lee Denney, Interim State Director
Oklahoma Department of Career and Technology Education
1500 W. 7th Avenue, Stillwater, OK 74074

AUDIT ACKNOWLEDGEMENT

Mid-Del Tech Center No. 52
Oklahoma County, Oklahoma
Audit Year
July 1, 2021 through June 30, 2022

The annual independent audit for the Mid-Del Technology Center, was presented to the Board of
Education in an open board meeting on Dec. 12, 2022, by Jenkins & Kemper, CPAs, P.C.
(District Name) (Date of meeting) (Independent Auditor)

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 Oklahoma Department of Career and Technology Education, and the State Auditor and Inspector within 30 days from its presentation to the district school board.

In accordance with administrative rule 780 O.A.C. 15-3-4(k), the Department shall be responsible for ensuring that audits are performed by independent auditors in a timely manner and are in accordance with applicable OMB circulars and guidance.

[Signature]
Superintendent

[Signature]
Board of Education President

[Signature]
Board of Education Vice President

[Signature]
Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member

Subscribed and sworn to me this 12th day of December, 2022. My commission expires on
the 20th day of December 2023

[Signature]
Notary Public

JEANANNE WILSON
NOTARY PUBLIC
COMMISSION NO. 11011410
OKLAHOMA COUNTY
STATE OF OKLAHOMA