

**FINANCIAL STATEMENTS – REGULATORY BASIS
AND REPORTS OF INDEPENDENT AUDITOR**

**MOORE INDEPENDENT SCHOOL DISTRICT NO. 1-2,
CLEVELAND COUNTY, OKLAHOMA**

JUNE 30, 2019

Audited by

**SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

BROKEN ARROW, OK

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2019

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INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
JUNE 30, 2019

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JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

December 17, 2019

The Honorable Board of Education
Moore School District Number I-2
Moore, Cleveland County, Oklahoma

Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of the Moore School District Number I-2, Moore, Cleveland County, Oklahoma (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2019, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Unqualified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balance arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2019, and the revenues collected and expenditures paid and encumbered for the year then ended on the regulatory basis of accounting described in Note 1.

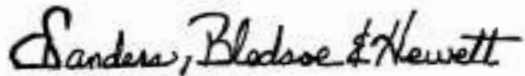
Other Matters

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

The combining statements – regulatory basis and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements – regulatory basis and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2019 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

Broken Arrow, OK



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

December 17, 2019

The Honorable Board of Education
Moore School District Number I-2
Moore, Cleveland County, Oklahoma

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements – regulatory basis within the combined financial statements of the Moore School District Number I-2, Moore, Cleveland County, Oklahoma (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 17, 2019, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was unqualified with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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.

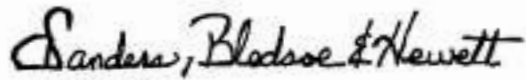
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 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, non-compliance with which could have a direct and material effect on the determination of financial statements amounts. 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.

A handwritten signature in black ink that reads "Sanders, Bledsoe & Hewett". The script is cursive and fluid.

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

Broken Arrow, OK

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

December 17, 2019

The Honorable Board of Education
Moore School District Number I-2
Moore, Cleveland County, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Moore School District Number I-2, Moore, Cleveland County, Oklahoma (District)’s, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2019. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

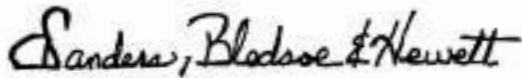
Report on Internal Control Over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or 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 the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

Broken Arrow, OK

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
DISPOSITION OF PRIOR YEAR'S SIGNIFICANT DEFICIENCIES AND
MATERIAL INSTANCES OF NON-COMPLIANCE
JUNE 30, 2019

There were no prior year significant deficiencies.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

Section 1 - Summary of Auditor's Results

1. An adverse opinion on the combined financial statements in conformity with generally accepted accounting principles and an unmodified opinion on the combined financial statements in conformity with a regulatory basis of accounting prescribed by the Oklahoma State Department of Education.
2. The audit disclosed no significant deficiencies in the internal controls over financial reporting that was not considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance which are material to the financial statements.
4. The audit disclosed no significant deficiencies in the internal controls over major programs that were considered to be material weaknesses.
5. An unqualified opinion report was issued on the compliance of major programs.
6. The audit disclosed no audit findings which are required to be reported under the Uniform Guidance.
7. Programs determined to be major were the IDEA-B Special Education Programs (84.027, 84.173), and the Child Nutrition Programs (10.553, 10.555, 10.559), both of which were clustered in determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The auditee was determined to be a low-risk auditee.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS

NONE

Section 3 – Findings and questioned costs for federal awards

NONE

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS
JUNE 30, 2019

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
<u>ASSETS</u>								
Cash & cash equivalents	\$ 40,116,014	13,066,752	21,873,685	34,237,960	4,547,109			113,841,520
Inventory	309,425	191,540						500,965
Capital assets						340,908,537		340,908,537
Amounts available in debt service							34,237,960	34,237,960
Amount to be provided for retirement of long-term debt							90,261,810	90,261,810
Total Assets	<u>\$ 40,425,439</u>	<u>13,258,292</u>	<u>21,873,685</u>	<u>34,237,960</u>	<u>4,547,109</u>	<u>340,908,537</u>	<u>124,499,770</u>	<u>579,750,792</u>
<u>LIABILITIES AND FUND BALANCE</u>								
Liabilities								
Warrants payable	\$ 6,925,900	641,090	242,324					7,809,314
Funds held for school organizations					4,547,109			4,547,109
Long-term debt:								
Compensated leave							1,987,723	1,987,723
Capital leases							717,047	717,047
Bonds payable							121,795,000	121,795,000
Total liabilities	<u>6,925,900</u>	<u>641,090</u>	<u>242,324</u>	<u>0</u>	<u>4,547,109</u>	<u>0</u>	<u>124,499,770</u>	<u>136,856,193</u>
Fund Balance and Other Credits								
Cash Fund Balances								
Investment in General Fixed Assets						340,908,537		340,908,537
Restricted for inventories	309,425	191,540						500,965
Restricted		12,425,662	21,631,361	34,237,960				68,294,983
Unrestricted	33,190,114							33,190,114
Total Fund Balance and Other Credits	<u>33,499,539</u>	<u>12,617,202</u>	<u>21,631,361</u>	<u>34,237,960</u>	<u>0</u>	<u>340,908,537</u>	<u>0</u>	<u>442,894,599</u>
Total Liabilities, Fund Balance and Other Credits	<u>\$ 40,425,439</u>	<u>13,258,292</u>	<u>21,873,685</u>	<u>34,237,960</u>	<u>4,547,109</u>	<u>340,908,537</u>	<u>124,499,770</u>	<u>579,750,792</u>

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

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2019

	GOVERNMENTAL FUND TYPES				TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	
Revenues Collected:					
Local sources	\$ 43,145,236	9,903,950	5,108	33,517,363	86,571,657
Intermediate sources	6,043,327				6,043,327
State sources	105,421,362	85,400			105,506,762
Federal sources	9,179,117	6,453,450			15,632,567
Interest earnings	630,242	171,685	1,777,378	654,287	3,233,592
Non revenue receipts	6,258,098				6,258,098
Total revenues collected	<u>170,677,382</u>	<u>16,614,485</u>	<u>1,782,486</u>	<u>34,171,650</u>	<u>223,246,003</u>
Expenditures:					
Instruction	102,399,236		3,729,680		106,128,916
Support services	55,698,204	6,648,577	4,694,008		67,040,789
Operation of non-instructional services	6,207,040	4,101,054	257,060		10,565,154
Facilities acquisition and construction svc	258,020	638,250	44,287,812		45,184,082
Other outlays:					
Reimbursement		4,875,968			4,875,968
Debt service				33,267,598	33,267,598
Total expenditures	<u>164,562,500</u>	<u>16,263,849</u>	<u>52,968,560</u>	<u>33,267,598</u>	<u>267,062,507</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	6,114,882	350,636	(51,186,074)	904,052	(43,816,504)
Other financing sources (uses):					
Proceeds from sale of bonds			53,800,000		53,800,000
Adjustments to prior year encumbrances	23	14,453			14,476
Total other financing sources (uses)	<u>23</u>	<u>14,453</u>	<u>53,800,000</u>	<u>0</u>	<u>53,814,476</u>
Excess of revenue collected over (under) expenditures	6,114,905	365,089	2,613,926	904,052	9,997,972
Cash fund balances, beginning of year	<u>27,445,466</u>	<u>12,346,584</u>	<u>19,017,435</u>	<u>33,333,908</u>	<u>92,143,393</u>
Change in reserve of inventories	<u>(60,832)</u>	<u>(94,471)</u>	<u>0</u>	<u>0</u>	<u>(155,303)</u>
Cash fund balances, end of year	<u>\$ 33,499,539</u>	<u>12,617,202</u>	<u>21,631,361</u>	<u>34,237,960</u>	<u>101,986,062</u>

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

INDEPENDENT SCHOOL DISTRICT NO. I- 2, CLEVELAND COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2019

	GENERAL FUND		
	Original/Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues Collected:			
Local sources	\$ 41,326,124	43,145,236	1,819,112
Intermediate sources	6,000,000	6,043,327	43,327
State sources	105,704,500	105,421,362	(283,138)
Federal sources	7,965,000	9,179,117	1,214,117
Interest earnings	250,000	630,242	380,242
Non-revenue receipts	6,500,000	6,258,098	(241,902)
Total revenues collected	167,745,624	170,677,382	2,931,758
Expenditures:			
Instruction	102,530,494	102,399,236	131,258
Support services	65,647,583	55,698,204	9,949,379
Operation of non-instructional services	6,962,948	6,207,040	755,908
Facilities acquisition & construction services	6,000	258,020	(252,020)
Other outlays:			
Indirect cost entitlement	201,077		201,077
Private non-profit schools	5,501		5,501
Other uses	19,467,230		19,467,230
Total expenditures	194,820,833	164,562,500	30,258,333
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(27,075,209)	6,114,882	33,190,091
Adjustments to prior year encumbrances	0	23	23
Excess of revenues collected over (under) expenditures	(27,075,209)	6,114,905	33,190,114
Cash fund balance, beginning of year	27,445,466	27,445,466	0
Change in reserve of inventories	0	(60,832)	(60,832)
Cash fund balance, end of year	\$ 370,257	33,499,539	33,129,282

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

INDEPENDENT SCHOOL DISTRICT NO. I- 2, CLEVELAND COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS		
	Original/Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues Collected:			
Local sources	\$ 9,699,713	9,903,950	204,237
State sources	90,000	85,400	(4,600)
Federal sources	6,995,000	6,453,450	(541,550)
Interest earnings	70,000	171,685	101,685
Total revenues collected	<u>16,854,713</u>	<u>16,614,485</u>	<u>(240,228)</u>
Expenditures:			
Instruction	30,000		30,000
Support services	6,558,662	6,648,577	(89,915)
Operation of non-instructional services	5,110,000	4,101,054	1,008,946
Facilities acquisition & construction services	2,707,198	638,250	2,068,948
Other outlays:			
Reimbursement	5,200,000	4,875,968	324,032
Other Uses	9,309,426		9,309,426
Total expenditures	<u>28,915,286</u>	<u>16,263,849</u>	<u>12,651,437</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(12,060,573)	350,636	12,411,209
Adjustments to prior year encumbrances	<u>0</u>	<u>14,453</u>	<u>14,453</u>
Excess of revenues collected over (under) expenditures	(12,060,573)	365,089	12,425,662
Cash fund balances, beginning of year	12,346,584	12,346,584	0
Change in reserve of inventories	<u>0</u>	<u>(94,471)</u>	<u>(94,471)</u>
Cash fund balances, end of year	<u>\$ 286,011</u>	<u>12,617,202</u>	<u>12,331,191</u>

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

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2019

	DEBT SERVICE FUND		
	Original/Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues Collected:			
Local sources	\$ 31,677,465	33,517,363	1,839,898
Interest earnings		654,287	654,287
Total revenues collected	<u>31,677,465</u>	<u>34,171,650</u>	<u>2,494,185</u>
Requirements:			
Bonds	30,385,000	30,955,000	(570,000)
Coupons	3,326,246	2,290,455	1,035,791
Judgments	12,670	22,143	(9,473)
Total requirements	<u>33,723,916</u>	<u>33,267,598</u>	<u>456,318</u>
Excess of revenue collected over (under) expenditures	(2,046,451)	904,052	2,950,503
Cash fund balance, beginning of year	<u>33,333,908</u>	<u>33,333,908</u>	<u>0</u>
Cash fund balance, end of year	<u>\$ 31,287,457</u>	<u>34,237,960</u>	<u>2,950,503</u>

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

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Moore Public Schools Independent District, No. I-2 (the “District”), have been prepared in conformity with another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education as authorized by Oklahoma Statutes. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with the accounting principles generally accepted in the United States of America. The District’s accounting policies are described in the following notes that are an integral part of the District’s financial statements.

A. Reporting Entity

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

The governing body of the District is the Board of Education composed of five elected members. The appointed superintendent is the executive officer of the District. The Board, constituting an on-going entity, is the level of government, which has governance responsibilities over all activities, related to public elementary and secondary school education within the jurisdiction of the local independent school district. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

A. Reporting Entity – cont’d

whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District’s reporting entity.

B. Measurement Focus

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: Governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.”

Governmental Fund Types

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

General Fund – The general fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus - cont'd

Special Revenue Funds – Special revenue funds account for revenue sources that are restricted to expenditures for specific purposes. The special revenue funds typically include the building, co-op, insurance recovery and child nutrition funds.

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

Co-op Fund – The co-op fund is established when the boards of education of two or more school districts enter into cooperative agreements and maintain joint programs. The revenues necessary to operate a cooperative program can come from federal, state, or local sources, including the individual contributions of participating school districts. The expenditures for this fund would consist of those necessary to operate and maintain the joint programs. The District did not maintain a co-op fund.

Insurance Recovery Fund – The insurance recovery fund is established when the District receives insurance recoveries from property damage (normally weather related) to be used for all property repair and replacement. The District did not maintain an insurance recovery fund.

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

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

Capital Projects Fund – The capital projects fund is the District's bond fund and is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities and acquiring transportation equipment.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus – cont’d

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. The terms “non-expendable” and “expendable” refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operation.

Expendable Trust Funds – Expendable trust funds typically include the gifts and endowments fund. The District did not maintain a gifts and endowment fund during the 2018-19 fiscal year.

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

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

Account Groups

An account group is not a fund and consists 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 is established to account for all the 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 (judgements and lease purchases) which are to be paid from funds provided in future years.

General Fixed Assets Account Group – This account group is used by governments to account for the property, plant and equipment of the school district.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus – cont’d

Memorandum Only - Total Column

The total column on the combined financial statements – regulatory basis is captioned “memorandum only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. Basis of Accounting and Presentation

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

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

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

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

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

C. Basis of Accounting and Presentation – cont’d

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental type funds are accounted for using the regulatory basis of accounting. Revenues are recognized when they are received rather than earned and expenditures are generally recognized when encumbered/reserved rather than at the time the related fund liability is incurred. These practices differ from accounting principles generally accepted in the United States.

D. Budgets and Budgetary Accounting

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

A budget is legally adopted by the Board of Education for all funds (with the exception of the trust and agency funds) that includes revenues and expenditures.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all governmental funds of the District. Unencumbered appropriations lapse at the end of each fiscal year. While the Debt Service Fund is a governmental fund, a comparison of budget to actual schedule is presented in the financial statements, although the board can exercise no control of the revenue sources for this fund (except interest earnings), and no control over its expenditures.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

E. Assets, Liabilities and Fund Equity

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

Investments – The District considers investments of direct obligations of the United States government and agencies, certificates of deposits, savings accounts or savings certificates with maturities of greater than three months. All investments are recorded at cost, which approximates market value.

Inventories – The value of consumable inventories at June 30, 2019, is not material to the combined financial statements.

Fixed Assets and Property, Plant and Equipment – The District has maintained a record of general fixed assets, and, accordingly, a General Fixed Assets Account Group required by the regulatory basis of accounting prescribed by the Oklahoma State Department of Education is included in the financial statements. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

Warrants Payable – Warrants are issued to meet the obligations for goods and services provided to the District. The District recognizes a liability for the amount of outstanding warrants that have yet to be redeemed by the District’s treasurer.

Encumbrances – Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services received by the District for which a warrant has not been issued. An expenditure is recorded and a liability is recognized for outstanding encumbrances at year end in accordance with the regulatory basis of accounting. While the regulatory basis that is used for the Debt Service Fund approximates full accrual accounting, the accruals recorded are reported to meet regulatory requirements, as opposed to the requirements of generally accepted accounting principles.

Compensated Absences – The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. District policy allows certified employees to accumulate such days to a maximum number of days. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources had not been reported as an expenditure of the governmental fund that will pay it since the financial statements have been prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

E. Assets, Liabilities and Fund Equity – cont’d

Funds Held for School Organizations – Funds held for school organizations represent the funds received or collected from students or other cocurricular and extracurricular activities conducted in the District, control over which is exercised by the board of education. These funds are credited to the account maintained for the benefit of each particular activity within the school activity fund.

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

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

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

Restricted fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.

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

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Equity – cont'd

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

Unassigned fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

F. Revenue and Expenditures

Local Revenues – Revenue from local sources is the money generated from within the boundaries of the District and available to the District for its use. The District is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. These property taxes are distributed to the District's general, building and sinking funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1. If the first payment is not made in a timely manner, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1, of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

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

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

F. Revenue and Expenditures – cont’d

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 from or additions to the revenue of the year when the adjustment is made.

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

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

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

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

Non-Revenue Receipts – Non-revenue receipts represent receipts deposited into a fund that are not new revenues to the District, but the return of assets.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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

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

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

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

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.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no interfund transfers made during the 2018-19 fiscal year.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District's cash deposits and investments at June 30, 2019, were \$113,841,520, at financial institutions, and were completely insured or collateralized by federal depository insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District's name.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the required liquidity for those investments, these funds have no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Investment Credit risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal policy limiting its investment choices, other than the limitation of state law as follows:

- Direct obligations of the U.S. Government, its agencies and instrument to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

2. CASH AND INVESTMENTS – cont'd

- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

Concentration of Investment Credit Risk – The District places no limit on the amount it may invest in any one issuer.

3. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2019.

4. 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 of the date of issue.

General long-term debt of the District consists of general obligation bonds. Debt service requirements for bonds are paid solely from the fund balance and the future revenues of the debt service fund.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

4. GENERAL LONG-TERM DEBT – cont'd

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2019:

	Lease/Purchase	Bonds	
	Agreements	Payable	Total
Balance, July 1, 2018	\$ 271,278	98,950,000	99,221,278
Additions	1,107,000	53,800,000	54,907,000
Retirements	(661,231)	(30,955,000)	(31,616,231)
Balance, June 30, 2019	\$ 717,047	121,795,000	122,512,047

A brief description of the outstanding long-term debt at June 30, 2019, is set forth below:

	Amount <u>Outstanding</u>
<u>General Obligation Bonds:</u>	
Combined Purpose Bonds, Series 2017, original issue \$23,300,000, interest rates of 2.50% to 3.00%, due in initial installment of \$5,825,000, annual installments of \$5,825,000, final payment due 3-1-22	17,475,000
Combined Purpose Bonds, Series 2018, original issue \$28,040,000, interest rates of 2.00% to 3.00%, due in initial installment of \$7,010,000, annual installments of \$7,010,000, final payment due 3-1-23	28,040,000
Combined Purpose Bonds, Series 2019, original issue \$52,100,000, interest rates of 2.00% to 3.50%, due in initial installment of \$13,025,000, annual installments of \$13,025,000, final payment due 3-1-24	52,100,000
Building Bonds, Series 2018, original issue \$6,540,000, interest rate of 2.45% due in one installment of \$6,540,000, on 3-1-20	6,540,000

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

4. GENERAL LONG-TERM DEBT – cont'd

Combined Purpose Bonds, Series 2016, original issue \$16,400,000, interest rates of 1.50% to 2.00%, due in initial installment of \$4,100,000, annual installments of \$4,100,000, final payment due 3-1-21	8,200,000
Combined Purpose Bonds, Series 2015, original issue \$30,960,000, interest rate of 1.50% to 2.00% due in initial installment of \$7,740,000 annual installments of \$7,740,000, final payment due 3-1-20	7,740,000
Building Bonds, Series 2019, original issue \$1,700,000, interest rates of 2.00% to 3.50% due in annual installments of \$425,000, on 3-1-24	1,700,000
 <u>Capital Lease Purchase Agreements</u>	
Lease purchase of computer equipment, dated October 31, 2018, totaling \$1,107,000, due in an initial payment of \$389,953 and principal and interest payments of \$389,953.	<u>717,047</u>
 Total	 <u><u>\$ 122,512,047</u></u>

The annual debt service requirements for outstanding bond issues and capital leases, including the payment of principal and interest, are as follows:

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

4. GENERAL LONG-TERM DEBT – cont'd

Year					
Ending	Principal	Interest	Total		
2020	31,563,436	3,187,484	34,750,920		
2021	30,753,611	2,485,255	33,238,866		
2022	26,285,000	1,739,450	28,024,450		
2023	20,460,000	1,082,425	21,542,425		
2024	13,450,000	403,500	13,853,500		
Total	<u>\$ 122,512,047</u>	<u>8,898,114</u>	<u>131,410,161</u>		

Interest paid on general long-term debt during the 2018-19 fiscal year totaled \$2,175,280.

5. EMPLOYEE RETIREMENT SYSTEM

Description of Plan

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

Basis of Accounting

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

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

5. EMPLOYEE RETIREMENT SYSTEM – cont'd

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. For the 2018-19 fiscal year, the District contributed 9.5% and the State of Oklahoma contributed the remaining amount during the year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, if a member's salary is paid in part by federal or private funds, the contribution on that portion of the salary paid by those funds must be matched by the District at 7.80%.

Annual Pension Cost

The District's total contributions for 2019, 2018 and 2017 are \$16,590,196, \$14,530,388, and \$14,506,978 respectively. Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2019. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Please visit www.ok.gov/TRS for all plan information.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employers who participate in a pension plan, such as the System, and who prepare published financial statements on an accrual basis using Generally Accepted Accounting Principles. Since the District does not prepare and present their financial statements on an accrual basis, the net pension amount is not required to be presented on the audited financial statements.

6. RISK MANAGEMENT

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

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

6. RISK MANAGEMANT – cont'd

The District is a member of the Oklahoma Public Schools Unemployment Compensation Program. In this program the District is required to contribute 1.6% of its taxable payroll for unemployment insurance. The funds for each District are kept separate and Districts can contribute more than 1.6% of their payroll if they elect to. The money contributed by each District earns interest and is fully insured. If the District has claims in excess of the amount in its account, it will be liable for the excess.

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

7. CONTINGENCIES

Federal Grants

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

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2018-19 fiscal year. The new Uniform Guidance established uniform audit requirements for nonfederal entities which expended more than \$750,000 in federal awards.

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

7. CONTINGENCIES – cont'd

Litigation

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

Subsequent Events

Management has evaluated subsequent events through December 17, 2019, 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.

8. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Ending Balances</u>
<i>Capital Assets:</i>					
Land	\$ 7,673,926	602	4,016		7,678,544
Constructin in progress	36,428,477	47,241,474	(36,428,477)		47,241,474
Building & improvements	439,093,722		36,424,461		475,518,183
Equipment & vehicles	32,093,566	2,582,443		117,932	34,558,077
Total Capital Assets	<u>\$ 515,289,691</u>	<u>49,824,519</u>	<u>0</u>	<u>117,932</u>	<u>564,996,278</u>
Accumulated depreciation	<u>(204,134,673)</u>	<u>(20,071,000)</u>		<u>(117,932)</u>	<u>(224,087,741)</u>
Net Fixed Assets	<u>\$ 311,155,018</u>	<u>29,753,519</u>	<u>0</u>	<u>0</u>	<u>340,908,537</u>

Under the District's capitalization policy assets with a value of less than \$2,500, are not reported in the financial statements nor in depreciation calculations. The transactions/accounting of the general fixed account group have no effect on the individual funds' basic financial statements prepared on the regulatory basis of accounting

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

9. LEASE REVENUE BONDS

In October 2015 patrons of the Moore Public School District No. I-2 an Independent school district of Cleveland County in the State of Oklahoma voted and approved \$209,000,000 in bonds. In March 2019, the Cleveland County Educational Facilities Authority issued \$103,045,000 of Educational Facilities Lease Revenue Bonds Series 2019, The purpose of the bond issue is to provide funds for the purpose of improving or acquiring school sites, constructing storm shelters, repairing, remodeling, and equipping school buildings, acquiring school furniture, fixtures and equipment. The Authority intends and expects to own the projects at all times during the term of the bonds. During such term, the Authority intends and expects to lease the projects to the District for exclusive use. The bonds are to be retired by annual acquisition payments beginning June 1, 2017 and ending June 1, 2023. The District will also make semi-annual rental payments to the authority of \$1,500. Moore Public Schools will gain ownership to the capital improvements incrementally as each bond payment is made. Acquisition payments are as follows:

<u>Year</u>	<u>Payments</u>
2017	\$ 6,610,000
2018	6,495,000
2019	38,740,000
2020	6,660,000
2021	12,280,000
2022	16,900,000
2023	<u>38,865,000</u>
Total	\$ 126,550,000
Interest	<u>(23,505,000)</u>
Net	<u>\$ 103,045,000</u>

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2019

	BUILDING FUND	CHILD NUTRITION FUND	TOTAL
<u>ASSETS</u>			
Cash & cash equivalents	\$ 8,605,298	4,461,454	13,066,752
Inventory		191,540	191,540
Total Assets	<u>\$ 8,605,298</u>	<u>4,652,994</u>	<u>13,258,292</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Warrants payable	\$ 622,545	18,545	641,090
Total Liabilities	<u>622,545</u>	<u>18,545</u>	<u>641,090</u>
Fund Equity:			
Cash fund balances	7,982,753	4,442,909	12,425,662
Reserve for inventories		191,540	191,540
Total Fund Balance	<u>7,982,753</u>	<u>4,634,449</u>	<u>12,617,202</u>
Total Liabilities and Fund Balance	<u>\$ 8,605,298</u>	<u>4,652,994</u>	<u>13,258,292</u>

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2019

	BUILDING FUND	CHILD NUTRITION FUND	TOTAL
Revenues Collected:			
Local sources	\$ 6,134,161	3,769,789	9,903,950
State sources		85,400	85,400
Federal sources	920,632	5,532,818	6,453,450
Interest earnings	124,049	47,636	171,685
Non-revenue			0
Total revenues collected	<u>7,178,842</u>	<u>9,435,643</u>	<u>16,614,485</u>
Expenditures:			
Support services	6,648,577		6,648,577
Operation of non-instructional services	3,795	4,097,259	4,101,054
Facilities acquisition construction services	638,250		638,250
Other outlays:			
Reimbursement		4,875,968	4,875,968
Total expenditures	<u>7,290,622</u>	<u>8,973,227</u>	<u>16,263,849</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(111,780)	462,416	350,636
Adjustments to prior year encumbrances	<u>14,453</u>	<u>0</u>	<u>14,453</u>
Excess of revenues collected over (under) expenditures	(97,327)	462,416	365,089
Cash fund balances, beginning of year	8,080,080	4,266,504	12,346,584
Change in reserve of inventories	<u>0</u>	<u>(94,471)</u>	<u>(94,471)</u>
Cash fund balances, end of year	<u>\$ 7,982,753</u>	<u>4,634,449</u>	<u>12,617,202</u>

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
IN CASH FUND BALANCES - BUDGET AND ACTUAL COMPARISON
ALL BUDGETED SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	BUILDING FUND			CHILD NUTRITION FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues Collected:						
Local sources	\$ 5,874,213	5,874,213	6,134,161	\$ 3,825,500	3,825,500	3,769,789
State sources				90,000	90,000	85,400
Federal sources	1,500,000	1,500,000	920,632	5,495,000	5,495,000	5,532,818
Interest earnings	50,000	50,000	124,049	20,000	20,000	47,636
Non-revenue receipts						
Total revenues collected	<u>7,424,213</u>	<u>7,424,213</u>	<u>7,178,842</u>	<u>9,430,500</u>	<u>9,430,500</u>	<u>9,435,643</u>
Expenditures:						
Instruction	30,000	30,000				
Support services	6,558,662	6,558,662	6,648,577			
Operation of non-instructional services	10,000	10,000	3,795	5,100,000	5,100,000	4,097,259
Facilities acquisition & construction services	2,457,198	2,457,198	638,250	250,000	250,000	
Other outlays:						
Reimbursement				5,200,000	5,200,000	4,875,968
Other Uses	6,448,433	6,448,433		2,860,993	2,860,993	
Total expenditures	<u>15,504,293</u>	<u>15,504,293</u>	<u>7,290,622</u>	<u>13,410,993</u>	<u>13,410,993</u>	<u>8,973,227</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(8,080,080)	(8,080,080)	(111,780)	(3,980,493)	(3,980,493)	462,416
Adjustment to prior year encumbrances	<u>0</u>	<u>0</u>	<u>14,453</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues collected over (under) expenditures	(8,080,080)	(8,080,080)	(97,327)	(3,980,493)	(3,980,493)	462,416
Cash fund balances, beginning of year	8,080,080	8,080,080	8,080,080	4,266,504	4,266,504	4,266,504
Change in reserve of inventories	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(94,471)</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>0</u>	<u>7,982,753</u>	<u>\$ 286,011</u>	<u>286,011</u>	<u>4,634,449</u>

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY -
ALL CAPITAL PROJECT FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	#31 BUILDING BOND FUND	#32 BUILDING BOND FUND	#33 BUILDING BOND FUND	#34 BUILDING BOND FUND	#36 BUILDING BOND FUND	#38 BUILDING BOND FUND	TOTAL
<u>ASSETS</u>							
Cash & cash equivalents	\$ 27,143	57,655	465,527	1,709,104	4,058,494	15,555,762	21,873,685
Total assets	<u>\$ 27,143</u>	<u>57,655</u>	<u>465,527</u>	<u>1,709,104</u>	<u>4,058,494</u>	<u>15,555,762</u>	<u>21,873,685</u>
<u>LIABILITIES AND FUND EQUITY</u>							
Liabilities:							
Warrants outstanding	\$	823		7,652	230,049	3,800	242,324
Total Liabilities	<u>0</u>	<u>823</u>	<u>0</u>	<u>7,652</u>	<u>230,049</u>	<u>3,800</u>	<u>242,324</u>
Fund Equity:							
Cash fund balances	<u>27,143</u>	<u>56,832</u>	<u>465,527</u>	<u>1,701,452</u>	<u>3,828,445</u>	<u>15,551,962</u>	<u>21,631,361</u>
Total Liabilities and Fund Equity	<u>\$ 27,143</u>	<u>57,655</u>	<u>465,527</u>	<u>1,709,104</u>	<u>4,058,494</u>	<u>15,555,762</u>	<u>21,873,685</u>

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL CAPITAL PROJECT FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2019

	#31 BOND FUND	#32 BOND FUND	#33 BOND FUND	#34 BOND FUND	#36 BOND FUND	#38 BOND FUND	#39 BOND FUND	TOTAL
Revenues Collected:								
Local sources	\$ 1,177	838	6,096	42,631	83,934	1,642,229	5,581	1,782,486
Total revenues collected	<u>1,177</u>	<u>838</u>	<u>6,096</u>	<u>42,631</u>	<u>83,934</u>	<u>1,642,229</u>	<u>5,581</u>	<u>1,782,486</u>
Expenditures:								
Instruction	50,804	512,167	79,172	710,584	2,374,599	2,354		3,729,680
Support services	129,077	335,303	35,103	842,545	2,517,453	834,527		4,694,008
Non-instructional services		810		92,605	163,645			257,060
Facilities acquisition & construction services	<u>229,176</u>	<u>161,422</u>	<u>1,227,492</u>	<u>2,108,608</u>	<u>1,502,147</u>	<u>37,353,386</u>	<u>1,705,581</u>	<u>44,287,812</u>
Total expenditures	<u>409,057</u>	<u>1,009,702</u>	<u>1,341,767</u>	<u>3,754,342</u>	<u>6,557,844</u>	<u>38,190,267</u>	<u>1,705,581</u>	<u>52,968,560</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(407,880)	(1,008,864)	(1,335,671)	(3,711,711)	(6,473,910)	(36,548,038)	(1,700,000)	(51,186,074)
Other financing sources and uses								
Bond proceeds						52,100,000	1,700,000	53,800,000
Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>52,100,000</u>	<u>1,700,000</u>	<u>53,800,000</u>
Excess of revenues collected and other financing sources over (under) expenditures	(407,880)	(1,008,864)	(1,335,671)	(3,711,711)	(6,473,910)	15,551,962	0	2,613,926
Cash fund balances, beginning of year	<u>435,023</u>	<u>1,065,696</u>	<u>1,801,198</u>	<u>5,413,163</u>	<u>10,302,355</u>	<u>0</u>	<u>0</u>	<u>19,017,435</u>
Cash fund balances, end of year	<u>\$ 27,143</u>	<u>56,832</u>	<u>465,527</u>	<u>1,701,452</u>	<u>3,828,445</u>	<u>15,551,962</u>	<u>0</u>	<u>21,631,361</u>

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

		<u>ASSETS</u>				
<u>CASH</u>		\$	4,302,145	6,950,787	6,705,823	4,547,109
		<u>LIABILITIES</u>				
809	9 NIGHT SCHOOL/HS. COMPLET CASH	\$	17,304	985	5,336	12,954
836	9 SUMMER SCH INTERNET BASED PROG CASH		23,405	28,095	51,300	200
922	9 INTERNET BASED PROGRAM CASH		24,261	16,825	420	40,666
941	9 NIGHTSCHOOL COKE ACCOUNT CASH		4,151	3,979	4,730	3,400
975	9 VISTA STUDENT ID CASH ACCT.		6,238	2,471	-	8,708
997	9 NIGHT SCHOOL TEACHER COKE CASH		66	746	139	673
801	51 ELEMENTARY EDUCATION CASH ACCT.		48,497	48,150	35,159	61,489
802	51 CLEARING CASH		(23)	70,503	70,480	-
803	51 ELEMENTARY MUSICAL FESTIV CASH		412	6,595	4,738	2,269
805	51 SCHOOL ACTIVITY OPERATIONS CASH ACCT.		36,277	140,306	159,665	16,918
807	51 MISCELLANEOUS CASH		47,803	51,090	48,864	50,029
813	51 TEXTBOOKS CASH		6,717	1,966	8,482	200
814	51 ASC SECURITY CASH ACCT.		3,896	80	371	3,606
816	51 MAINTENANCE COKE ACCOUNT CASH		64	(1)	-	63
817	51 TRANSPORTATION COKE ACCT CASH		600	164	238	526
824	51 ATHLETICS CASH		303,820	574,833	567,836	310,816
825	51 ATHLETIC FUND RAISER CASH		201,918	190,698	125,927	266,688
826	51 LETTER "M" CASH		63,697	57,064	63,489	57,272
828	51 MOORE APPLAUSE CASH ACCT.		(2,212)	2,752	-	540
829	51 SEARCH CASH		11,640	6,266	4,822	13,083
830	51 SCIENCE FAIR CASH		2,049	6,014	3,934	4,129
831	51 PROFESSIONAL DEVELOPMENT CASH		655	217	638	234
832	51 SUMMER RECREATION PROGRAM CASH		77,551	49,380	98,216	28,714
835	51 ELEMENTARY GUIDANCE CASH		6,861	-	917	5,944
864	51 PLAZA TOWERS TORNADO FUND CASH ACCT.		12	-	-	12
865	51 BRIARWOOD TORNADO FUND CASH ACCT.		279	-	-	279
866	51 HIGHLANDEAST TORNADO FUND CASH ACCT.		25	-	25	-
867	51 HATS FOR HOUSTON CASH ACCT.		24,629	113,735	134,616	3,747
876	51 SUMMER ALGEBRA CAMP CASH ACCT		1,202	(16)	825	361
878	51 MEDIA TORNADO FUND CASH ACCT.		972	-	-	972
887	51 ELEMENTARY SUMMER SCHOOL CASH		6,350	-	6,150	200
890	51 SCIENCE ENRICHMENT CASH		2,755	-	695	2,060
910	51 ASC NURSING SERVICES CASH		2,109	4,798	3,235	3,672
916	51 INDIAN EDUCATION CASH ACCT.		6,744	1,000	921	6,823
919	51 SUMMER READ MOORE BOOK BUS CASH		19,839	3,500	6,243	17,096
976	51 SECONDARY SUMMER SCHOOL CASH		43,040	47,600	90,570	70
977	51 SUMMER BAND CASH		3,442	4,059	3,400	4,100
978	51 SUMMER DRIVERS EDUCATION CASH		200	-	-	200
984	51 JR HIGH SUMMER SCHOOL CASH		8,190	3,630	11,620	200
998	51 FINE ARTS CASH		179	-	-	179
815	90 TECHNOLOGY COKE ACCT CASH		1	-	-	1
818	90 CENTER FOR TECHNOLOGY CASH ACCT.		(3,305)	3,817	148	364
808	97 CHILD NUTRITION COKE ACCT CASH		92	-	-	92
803	103 INSTRUCTIONAL/TECHNOLOGY RELATED		210	-	210	-
839	103 CENTRAL ELEMENTARY CASH		42,561	62,254	45,200	59,614
843	103 CENTRAL ELEM. COKE ACCOUNT CASH		471	1,779	381	1,869
859	103 CENTRAL ELEM. BEFORE/ AFTER SCHOOL CASH		67,274	32,487	43,798	55,964
839	107 FAIRVIEW CASH		27,888	55,791	57,988	25,691
843	107 FAIRVIEW COKE ACCOUNT CASH		395	3,674	2,334	1,734
859	107 FAIRVIEW AFTER SCHOOL PROGRAM CASH		48,213	44,008	27,173	65,048
839	108 KELLEY CASH		22,249	20,520	26,664	16,104
843	108 KELLEY COKE ACCOUNT CASH		980	1,604	852	1,732
859	108 KELLEY DAY CARE CASH ACCT.		8,249	29,964	30,454	7,759
803	109 INSTRUCTIONAL/COCURR SUPPLIES		954	-	954	-
839	109 NORTHMOOR CASH		18,286	41,654	40,221	19,718
843	109 NORTHMOOR COKE ACCOUNT CASH		44	2,470	151	2,362

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

<u>ASSETS</u>						
CASH		\$	4,302,145	6,950,787	6,705,823	4,547,109
<u>LIABILITIES</u>						
859	109 NORTHMOOR BEFORE/AFTER CARE CASH ACCT.		19,750	15,940	14,067	21,623
803	110 CARE AND UPKEEP OF EQUIPMENT/REPAIRS		90	-	90	-
839	110 SOUTHGATE CASH		29,370	21,375	25,796	24,950
843	110 SOUTHGATE COKE ACCOUNT CASH		132	885	390	627
859	110 SOUTHGATE BEFORE/AFTER CARE CASH ACCT.		10,993	18,550	13,636	15,908
839	112 PLAZA TOWERS CASH		13,757	61,361	60,879	14,239
843	112 PLAZA TOWERS COKE ACCOUNT CASH		33	1,500	15	1,519
859	112 PLAZA TOWERS BEFORE/AFTER SCHOOL CASH		65,193	61,925	42,894	84,223
864	112 INSTRUCTIONAL/FURNITURE & FIXTURES		411	-	411	-
801	113 STUDENT RELATED/GIFTS, AWARDS, REFRESH		189	-	189	-
803	113 CARE AND UPKEEP OF EQUIPMENT SERVICES/		67	-	67	-
839	113 SKY RANCH CASH		44,322	60,218	59,556	44,984
843	113 SKY RANCH COKE ACCOUNT CASH		316	1,735	-	2,051
859	113 SKY RANCH BEFORE/AFTER SCH PROG CASH		31,581	33,271	31,905	32,946
801	117 INSTRUCTIONAL STAFF TRAINING/WORKBOOKS		1,620	-	1,620	-
803	117 CARE AND UPKEEP OF EQUIPMENT/REPAIRS		90	-	90	-
839	117 KINGSGATE CASH		17,598	42,294	32,000	27,892
843	117 KINGSGATE COKE ACCOUNT CASH		391	56	25	422
859	117 KINGSGATE BEFORE/AFTER CASH ACCT.		13,874	32,481	21,339	25,016
803	120 INSTRUCTIONAL/DUES & FEES		1,895	-	1,895	-
839	120 HOUCHIN CASH		11,440	39,006	34,038	16,408
843	120 HOUCHIN COKE ACCOUNT CASH		231	81	69	243
859	120 HOUCHIN BEFORE/AFTER SCHOOL PROGRAM CASH		907	14,921	15,628	200
801	125 INSTRUCTIONAL/AUDIO VIDEO EQUIP		585	-	585	-
803	125 INSTRUCTIONAL/TECH RELATED		300	-	300	-
839	125 WINDING CREEK CASH		93,725	117,422	127,595	83,552
843	125 WINDING CREEK COKE ACCOUNT CASH		253	1,667	789	1,132
859	125 WINDING CREEK BEFORE/AFTER SCH PROG CASH		2,885	76,455	74,295	5,045
803	130 CARE AND UPKEEP OF EQUIPMENT/REPAIRS		90	-	90	-
839	130 SANTA FE CASH		36,616	65,925	76,614	25,927
843	130 SANTA FE COKE ACCOUNT CASH		224	1,497	285	1,436
859	130 SANTA FE BEFORE/AFTER CARE CASH ACCT.		18,543	25,325	29,431	14,437
830	135 INSTRUCTIONAL/COCURR SUPPLIES		30	-	30	-
839	135 APPLE CREEK CASH		41,079	60,214	48,185	53,107
843	135 APPLE CREEK COKE ACCOUNT CASH		2	1,582	33	1,551
859	135 APPLE CREEK CAMP COUGAR CASH ACCT		25,191	25,539	14,752	35,977
839	140 RED OAK CASH		78,113	62,740	88,129	52,725
843	140 RED OAK COKE ACCOUNT CASH		89	1,593	60	1,622
859	140 RED OAK BEFORE/AFTER SCHOOL PROGRAM CASH		24,196	72,871	51,947	45,121
839	145 BRIARWOOD CASH		28,135	95,207	69,830	53,511
843	145 BRIARWOOD COKE ACCOUNT CASH		61	1,548	-	1,609
859	145 BRIARWOOD BEFORE/AFTER SCHOOL PROG CASH		46,012	31,614	58,419	19,207
803	155 INSTRUCTIONAL/TECHNOLOGY RELATED		197	-	197	-
839	155 FISHER CASH		19,097	125,948	116,744	28,300
843	155 FISHER COKE ACCOUNT CASH		47	1,549	873	723
859	155 FISHER BEFORE/AFTER SCHOOL PROGRAM CASH		47,863	76,477	105,822	18,518
803	160 CARE AND UPKEEP OF EQUIPMENT/REPAIRS		250	-	250	-
839	160 SOONER CASH		23,281	64,281	59,502	28,060
843	160 SOONER COKE ACCOUNT CASH		957	212	75	1,094
859	160 SOONER BEFORE/AFTER SCHOOL PROG CASH		49,918	32,067	52,949	29,035
803	165 INSTRUCT STAFF TRAINING/REGISTRATION		252	-	252	-
839	165 EARLYWINE CASH		15,788	44,426	43,055	17,160
843	165 EARLYWINE COKE ACCOUNT CASH		313	183	132	364
859	165 EARLYWINE BEFORE/AFTER SCHOOL PROG CASH		26,682	40,861	36,628	30,915
803	170 CARE AND UPKEEP OF EQUIPMENT/REPAIRS		90	-	90	-
839	170 BROADMOORE CASH		109,722	105,356	111,000	104,078

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

<u>ASSETS</u>						
CASH		\$	4,302,145	6,950,787	6,705,823	4,547,109
<u>LIABILITIES</u>						
843	170 BROADMOORE COKE ACCOUNT CASH		571	1,186	88	1,669
859	170 BROADMOORE BEFORE/AFTER SCH PROG CASH		64,662	122,851	90,506	97,007
803	175 CARE AND UPKEEP OF EQUIPMENT SERVICES/		116	-	116	-
839	175 EASTLAKE CASH		22,507	66,080	60,759	27,827
843	175 EASTLAKE COKE ACCOUNT CASH		435	1,676	75	2,037
859	175 EASTLAKE BEFORE/AFTER CARE CASH ACCT.		23,778	48,809	46,571	26,017
803	180 CARE AND UPKEEP OF EQUIPMENT SERVICES/		90	-	90	
839	180 BRYANT ELEMENTARY CASH		53,322	60,141	69,937	43,526
843	180 BRYANT ELEMENTARY COKE ACT CASH		416	1,454	1,388	482
859	180 BRYANT BEFORE/AFTER CARE PROGRAM CASH		22,878	80,659	42,901	60,636
839	181 WAYLAND BONDS ELEMENTARY		90,174	116,080	115,979	90,274
843	181 WAYLAND BONDS ELEM COKE ACCOUNT		1,057	216	515	759
859	181 WAYLAND BONDS AFTER SCHOOL PROG CASH		53,535	61,921	54,586	60,871
839	185 OAKRIDGE CASH		20,122	100,206	74,205	46,123
843	185 OAKRIDGE COKE ACCOUNT CASH		61	1,524	105	1,480
859	185 OAKRIDGE BEFORE/AFTER SCHOOL PROG CASH		40,249	114,894	108,213	46,930
839	190 HERITAGE TRAILS CASH		61,620	161,678	139,264	84,034
843	190 HERITAGE TRAILS COKE ACCOUNT CASH		273	1,500	705	1,068
859	190 HERITAGE TRAILS BEFORE/AFTER PROG CASH		25,330	139,122	128,255	36,198
803	195 INSTRUCTIONAL/TECH RELATED		1,638	-	1,638	-
839	195 SOUTH LAKE CASH ACCOUNT		106,514	222,778	199,462	129,830
843	195 SOUTHLAKE COKE CASH ACCOUNT		30	1,593	439	1,184
859	195 SOUTHLAKE DAYCARE CASH ACCOUNT		70,579	145,369	132,493	83,455
839	196 TIMBER CREEK ACTIVITY CASH ACCT.		27,809	201,908	130,052	99,665
843	196 TIMBER CREEK COKE CASH ACCT.		-	1,500	-	1,500
859	196 TIMBER CREEK BEFORE/AFTERCARE CASH ACCT.		64,839	122,916	151,952	35,803
841	610 ARCHERY CASH ACCT.		1,220	8,622	4,681	5,161
846	610 BRINK ACADEMIC CLUB CASH		361	549	774	136
851	610 ART CLUB FEES		-	1,000	629	371
853	610 BRINK BAND CASH		2,881	7,917	10,613	185
862	610 BRINK CHEERLEADERS CASH		1,166	349	705	810
863	610 BRINK CHORUS CASH		4,194	3,456	4,999	2,650
907	610 BRINK GYM ACCOUNT CASH		110	-	-	110
925	610 BRINK LIBRARY FUND CASH		8,373	12,791	13,536	7,628
934	610 BRINK MULTICULTURAL CLUB CASH		211	79	203	87
935	610 NATIVE AMERICAN ART CLUB		262	(1)	-	261
937	610 BRINK NATL HONOR SOCIETY CASH		4,471	4,477	5,197	3,751
957	610 BRINK COKE ACCOUNT CASH		436	4,116	4,464	87
961	610 BRINK SCIENCE CLUB CASH		1,438	8,288	3,336	6,390
970	610 SPECIAL OLYMPICS CASH ACCT.		2,981	186	1,090	2,077
973	610 BRINK STUDENT COUNCIL CASH		9,167	6,048	6,361	8,854
974	610 BRINK STUDENT STORE CASH		58,019	89,808	91,235	56,592
990	610 WEB CASH ACCT.		1,254	2,405	2,465	1,194
991	610 BRINK CAMPUS BEAUTIFICATION		371	-	122	249
993	610 BRINK YEARBOOK CASH		30,519	8,377	7,665	31,230
846	650 H.E. ACADEMIC CLUB CASH		246	2,200	530	1,916
853	650 H.E. BAND CASH		5,956	1,420	2,455	4,920
862	650 H.E. CHEERLEADERS CASH		322	12,416	11,698	1,041
863	650 H.E. CHORUS CASH		202	3,183	2,691	693
911	650 H.E. HOME ECONOMICS CASH		805	2,645	2,975	475
925	650 H.E. LIBRARY CASH		9,237	1,961	4,701	6,496
937	650 H.E. NATL JR. HONOR SOCIET CASH		786	5,331	5,124	993
939	650 H.E. NEWSPAPER CASH		399	-	-	399
957	650 H.E. COKE ACCOUNT CASH		454	1,217	1,341	330
961	650 H.E. SCIENCE CLUB CASH		5,754	-	1,376	4,378
965	650 H.E. SPECIAL EDUCATION CASH		732	-	714	18

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

		<u>ASSETS</u>				
<u>CASH</u>		\$	4,302,145	6,950,787	6,705,823	4,547,109
		<u>LIABILITIES</u>				
973	650 H.E. STUDENT COUNCIL CASH		3,611	2,150	1,517	4,245
974	650 H.E. STUDENT STORE CASH		42,238	91,742	91,057	42,922
992	650 H.E. WRITING CLUB CASH		2,157	-	99	2,057
993	650 H.E. YEARBOOK CASH		24,036	7,705	3,212	28,529
803	655 INSTRUCTIONAL/TECHNOLOGY RELATED		120	-	120	-
847	655 H.W. ACADEMIC TEAM CASH		322	255	240	337
851	655 H.W. ART CLUB CASH		606	-	-	606
853	655 H.W. BAND CASH		3,723	10,220	10,898	3,045
863	655 H.W. CHORUS CASH		3,990	5,596	6,916	2,670
889	655 H.W. FACULTY ACCOUNT CASH		2,559	2,423	1,962	3,020
911	655 H.W. HOME ECONOMICS CASH		1,700	-	-	1,700
925	655 H.W. LIBRARY CASH		303	2,397	2,253	447
937	655 H.W. NATL HONOR SOCIETY CASH		534	3,856	3,596	794
947	655 H.W. PEP CLUB CASH		3,946	2,082	2,314	3,713
951	655 ROBOTICS CASH ACCT.		155	2,749	1,554	1,350
961	655 H.W. SCIENCE CLUB CASH		2,322	-	-	2,322
965	655 H.W. SPECIAL EDUCATION CASH		6,579	2,190	7,352	1,417
973	655 H.W. STUDENT COUNCIL CASH		4,385	1,290	1,742	3,933
974	655 H.W. STUDENT STORE CASH		28,805	63,893	48,099	44,599
993	655 H.W. YEARBOOK CASH		7,912	6,098	6,763	7,247
818	680 INSTRUCTIONAL/SUPPLIES TECH RELATED		3,817	-	3,817	-
847	680 W.J.H. ACADEMIC TEAM CASH		229	359	161	427
851	680 W.J.H. ART CLUB CASH		4,274	280	114	4,440
853	680 W.J.H. BAND CASH		7,920	9,618	6,352	11,186
862	680 W.J.H. CHEERLEADERS CASH		5,570	10,219	9,793	5,996
889	680 W.J.H. FACULTY FUND CASH		858	1,995	1,613	1,240
907	680 W.J.H. GYM ACCOUNT CASH		997	940	1,707	230
925	680 W.J.H. LIBRARY CASH		1,545	1,668	2,262	951
937	680 W.J.H. NATIONAL HONOR SOC CASH		2,199	2,570	2,008	2,760
938	680 NJHS STATE CONVENTION CASH ACCOUNT		5,780	10,829	10,161	6,449
939	680 W.J.H. NEWSPAPER CASH		586	-	-	586
947	680 W.J.H. PEP CLUB CASH		296	-	-	296
951	680 W.J.H. ROBOTICS CLUB CASH		3,486	2,796	1,449	4,833
965	680 W.J.H. SPECIAL EDUCATION CASH		4,031	11,344	10,613	4,762
973	680 W.J.H. STUDENT COUNCIL CASH		1,820	3,467	3,057	2,229
974	680 W.J.H. STUDENT STORE CASH		35,907	49,175	42,564	42,518
987	680 W.J.H. VOCAL CASH		2,951	3,899	3,638	3,212
993	680 W.J.H. YEARBOOK CASH		4,299	5,866	4,297	5,868
804	685 FACILITY USAGE CASH ACCT.		-	525	-	525
847	685 C.J.H. ACADEMIC TEAM CASH		243	-	-	243
851	685 C.J.H. ART CLUB CASH		261	1,148	808	601
853	685 C.J.H. BAND CASH		5,281	1,179	3,645	2,816
862	685 C.J.H. CHEERLEADERS CASH		3,306	1,071	4,086	291
863	685 C.J.H. CHORUS CASH		1,405	11,771	11,107	2,069
897	685 CJH FCCLA CASH ACCT.		68	430	490	8
925	685 C.J.H. LIBRARY CASH		1,140	5,164	5,363	941
937	685 C.J.H. NATL JR. HONOR SOC CASH		156	1,010	649	517
939	685 C.J.H. NEWSPAPER CASH		67	-	63	4
948	685 C.J.H. PEP CLUB/SPIRIT CASH		221	-	-	221
957	685 C.J.H. COKE ACCOUNT CASH		1,818	2,963	2,766	2,016
961	685 C.J.H. SCIENCE CLUB CASH		133	296	60	369
964	685 C.J.H. SPANISH CLUB CASH ACCT		41	-	-	41
970	685 C.J.H. SPECIAL OLYMPICS CASH		685	-	35	650
973	685 C.J.H. STUDENT COUNCIL CASH		1,855	248	178	1,925
974	685 C.J.H. STUDENT STORE CASH		83,736	44,524	41,649	86,611
992	685 C.J.H. WRITING CLUB		1	(1)	-	-

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

		<u>ASSETS</u>				
<u>CASH</u>		\$	4,302,145	6,950,787	6,705,823	4,547,109
		<u>LIABILITIES</u>				
993	685 C.J.H. YEARBOOK CASH	2,080	4,739	3,131	3,688	
995	685 C.J.H. YOUTH & GOVERNMENT CASH	437	220	280	377	
803	690 INSTRUCTIONAL/DUES & FEES	155	-	155	-	
846	690 ACADEMIC CLUB CASH ACCT.	-	484	174	310	
851	690 SJH ART CLUB CASH ACCT.	241	1,935	2,174	3	
853	690 BAND CASH ACCT.	2,958	8,782	8,087	3,652	
862	690 CHEERLEADERS CASH ACCT	379	1,554	1,841	9	
863	690 CHORUS CASH ACCT.	1,776	9,209	10,136	848	
897	690 SJH FCCLA CASH ACCT.	1,230	860	549	1,541	
925	690 LIBRARY CASH ACCT.	1,042	4,117	4,392	767	
937	690 NATIONAL JR. HONOR SOCIETY CASH ACCT.	455	3,044	2,284	1,215	
951	690 ROBOTICS CASH ACCT.	733	6,170	4,392	2,511	
961	690 SCIENCE CLUB CASH ACCT.	332	404	350	386	
965	690 SPECIAL EDUCATION CASH ACCT.	2,502	3,904	2,964	3,442	
973	690 STUDENT COUNCIL CASH ACCT.	1,937	3,441	3,584	1,794	
974	690 STUDENT STORE CASH ACCT.	31,518	68,612	46,054	54,077	
993	690 YEARBOOK CASH ACCT.	8,734	4,439	1,780	11,393	
803	705 PRINTING, PUBLISHING AND DUPLICATING SER	575	-	575	-	
804	705 FACILITY USAGE CASH ACCT.	-	5,625	824	4,801	
820	705 CLASS OF 2021 CASH ACCT.	967	1,206	889	1,284	
828	705 ADMISSIONS/PROM TICKETS	2,490	-	2,490	-	
844	705 M.H.S ASTRONOMY CLUB CASH	7	-	-	7	
847	705 M.H.S. ACADEMIC TEAM CASH	22	-	-	22	
849	705 M.H.S. APOLLYRAS CASH	184	2,690	2,834	41	
851	705 M.H.S. ART CLUB CASH	787	1,756	1,787	756	
853	705 M.H.S. BAND CASH	207	5,733	5,502	437	
857	705 CLASS OF 2018 CASH ACCT.	1,407	-	1,407	-	
861	705 CLASS OF 2019 CASH ACCT.	3,432	11,741	12,840	2,333	
862	705 M.H.S. CHEERLEADERS CASH	4,405	10,990	11,876	3,519	
870	705 CLASS OF 2020 CASH ACCT.	513	30,283	22,336	8,460	
872	705 M.H.S. CLOSE-UP CASH	126	-	-	126	
873	705 M.H.S. FUSE CASH	7,413	5,800	5,999	7,213	
879	705 M.H.S. DECA CASH	146	2,707	1,946	907	
882	705 M.H.S. DRAMA CASH	5,560	42,135	35,977	11,718	
886	705 CLASS OF 2022 CASH ACCT.	-	1,983	1,450	533	
895	705 M.H.S. FBLA CASH	270	449	515	204	
896	705 M.H.S. FFA CASH	4,081	68,799	68,358	4,522	
897	705 M.H.S. FCCLA CASH	815	1,692	1,312	1,195	
898	705 M.H.S. FJA CASH	488	-	-	488	
900	705 M.H.S. FOREIGN LANGUAGE CASH	48	-	-	48	
901	705 M.H.S. FRENCH CLUB CASH	413	875	587	701	
904	705 ART APPRECIATION CASH ACCT.	891	2,569	2,263	1,197	
912	705 M.H.S. HORTICULTURE CLUB CASH	5,887	11,002	9,017	7,872	
921	705 M.H.S. KEY CLUB CASH	4,352	4,463	4,131	4,684	
924	705 M.H.S. LATIN CLUB CASH	827	2,082	1,915	994	
925	705 M.H.S. LIBRARY CASH	1,209	350	-	1,559	
928	705 LEADERSHIP CASH ACCT.	6,876	1,906	5,478	3,303	
936	705 M.H.S. MOCK TRIAL CASH	357	850	1,039	168	
937	705 M.H.S. NATL HONOR SOCIETY CASH	2,903	5,571	5,646	2,828	
943	705 SCIENCE DEPT. CASH ACCT.	2,597	780	473	2,904	
949	705 M.H.S. POM PON SQUAD CASH	611	3,066	3,155	523	
951	705 ROBOTICS CASH ACCT.	915	2,928	3,055	788	
952	705 M.H.S. PSAT/ACT CASH	70	4,094	3,550	614	
959	705 M.H.S. SCHOLASTIC CASH	13,988	24,906	22,326	16,568	
961	705 M.H.S. SCIENCE CLUB CASH	316	-	100	216	
964	705 M.H.S. SPANISH CLUB CASH	1,033	396	480	949	

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

<u>ASSETS</u>						
CASH		\$	4,302,145	6,950,787	6,705,823	4,547,109
<u>LIABILITIES</u>						
965	705 M.H.S. SPECIAL EDUCATION CASH		1,134	4,812	5,874	71
966	705 M.H.S. SPECIAL PROJECTS CASH		9,822	-	7,013	2,809
967	705 M.H.S. SPEECH CASH		2,112	4,211	3,511	2,812
973	705 M.H.S. STUDENT COUNCIL CASH		800	2,679	2,215	1,265
974	705 M.H.S. STUDENT STORE CASH		47,026	80,897	122,905	5,018
975	705 PRINTING & PUBLISHING/PRINTING		1,577	-	1,577	-
980	705 M.H.S. 3-D ART CASH		2,705	3,089	3,632	2,162
983	705 M.H.S. TEACHER'S COURTESY CASH		1,681	7,609	2,896	6,394
993	705 M.H.S. YEARBOOK CASH		35,440	35,712	15,281	55,871
995	705 M.H.S YOUTH AND GOVERNMENT CASH		474	2,600	3,040	34
803	710 INSTRUCTIONAL/RENTALS OR LEASE SERVICES		320	-	320	-
804	710 FACILITY USAGE CASH ACCT.		-	1,900	-	1,900
820	710 CLASS OF 2021 CASH ACCT.		692	1,427	1,070	1,049
823	710 ASP (ANTI-SLAVERY PROJECT) CASH ACCT.		698	748	471	975
847	710 W.H.S. ACADEMIC TEAM CASH		927	-	520	407
851	710 W.H.S. ART CLUB CASH		7,562	7,922	7,678	7,806
852	710 W.H.S. ASIAN AMERICAN CLUB CASH		2,360	5,671	5,373	2,658
853	710 W.H.S. BAND CASH		4,832	13,702	15,198	3,336
855	710 W.H.S. BUSINESS DEPARTMENT CASH		217	-	-	217
857	710 CLASS OF 2018 CASH ACCT.		8,133	(95)	8,037	-
858	710 W.H.S. BOOK CLUB CASH		80	-	-	80
861	710 CLASS OF 2019 CASH ACCT.		15,475	17,249	17,396	15,328
862	710 W.H.S. CHEERLEADERS CASH		6,097	7,497	7,464	6,129
870	710 CLASS OF 2020 CASH ACCT.		1,529	32,691	29,860	4,360
882	710 W.H.S. DRAMA CASH		735	-	-	735
883	710 W.H.S. ENGLISH DEPARTMENT CASH		1,583	-	-	1,583
885	710 W.H.S. EBONY SOCIETY CASH		115	106	104	118
886	710 CLASS OF 2022 CASH ACCT.		-	3,378	2,412	966
895	710 W.H.S. FBLA CASH		262	888	804	346
897	710 W.H.S. FCCLA CASH		309	2,791	2,593	507
899	710 W.H.S. FORENSICS CASH		8,142	10,206	9,167	9,181
902	710 FRENCH NATIONAL HONOR SOCIETY		2,884	1,051	3,678	257
904	710 ART APPRECIATION CASH ACCT.		373	1,830	769	1,434
909	710 W.H.S. HANDS CLUB CASH		5,492	127	465	5,155
914	710 W.H.S. JCL CASH		924	853	1,077	699
915	710 HISPANIC AMERICAN CLUB CASH ACCT.		2,067	3,430	1,895	3,602
921	710 W.H.S. KEY CLUB CASH		1,153	5,271	5,572	851
927	710 W.H.S. LINK CREW CASH		1,475	846	2,088	233
929	710 W.H.S. MATH CLUB CASH		159	-	-	159
931	710 W.H.S. MEDIA CASH		2,186	1,781	2,912	1,056
933	710 W.H.S. MUSICAL PRODUCTIONS CASH		18,938	18,981	19,049	18,871
934	710 W.H.S. MULTICULTURAL CLUB CASH		2,334	7,075	6,739	2,671
937	710 W.H.S. NATIONAL HONOR SOCIETY CASH		24,868	22,768	21,562	26,074
939	710 W.H.S. NEWSPAPER CASH		5,496	-	685	4,811
940	710 NASA CASH ACCT.		1,585	1,572	1,205	1,952
949	710 W.H.S. POM POM SQUAD CASH		1,199	1,433	1,338	1,294
950	710 RED CROSS CLUB CASH ACCT.		697	(4)	-	693
952	710 W.H.S. PSAT/ACT CASH		2,781	2,040	1,667	3,154
954	710 W.H.S. SPECIAL ED - MR/MH CASH		354	1,950	1,619	686
960	710 W.H.S. STAFF ACCOUNT CASH		833	1,570	1,950	453
961	710 W.H.S. SCIENCE CLUB CASH		4,952	2,925	65	7,812
962	710 W.H.S. SHOW CHOIR CASH		586	18,119	18,221	484
963	710 W.H.S. SOCIAL STUDIES DEPT CASH		107	-	-	107
964	710 SPANISH CLUB CASH ACCT.		4,628	7,330	6,611	5,347
966	710 W.H.S. SPECIAL PROJECTS CASH		19,661	2,639	11,890	10,410
970	710 W.H.S. SPECIAL OLYMPICS CASH		6,401	17,367	17,694	6,074

INDEPENDENT SCHOOL DISTRICT NO. 1-2, CLEVELAND COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

<u>ASSETS</u>						
CASH		\$	4,302,145	6,950,787	6,705,823	4,547,109
<u>LIABILITIES</u>						
972	710 W.H.S. STAND CLUB CASH		2,526	4,210	4,364	2,373
973	710 W.H.S. STUDENT COUNCIL CASH		2,738	25,342	21,023	7,057
974	710 W.H.S. STUDENT STORE CASH		151,552	136,215	129,865	157,903
980	710 W.H.S. VISUAL ART CASH		2,176	5,112	6,738	550
985	710 W.H.S. STUDENT PLANNERS CASH		184	22,022	21,288	917
993	710 W.H.S. YEARBOOK CASH		91,041	40,554	31,478	100,118
995	710 W.H.S. YOUTH AND GOVERNMENT CASH		2,348	3,941	3,534	2,756
803	715 STUDENT RELATED/COPY SUPPLIES		1,062	-	1,062	-
804	715 FACILITY USAGE CASH ACCT.		-	25,433	15,481	9,952
820	715 CLASS OF 2021 CASH ACCT.		1,447	1,711	1,041	2,117
847	715 SOUTHMOORE ACADEMIC TEAM CASH		1,145	-	-	1,145
851	715 SOUTHMOORE ART CLUB/3D CASH		392	5,703	5,194	902
853	715 SOUTHMOORE BAND CASH		10,062	433	8,245	2,249
861	715 CLASS OF 2019 CASH ACCOUNT		2,509	12,824	15,043	290
862	715 SOUTHMOORE CHEERLEADERS CASH		10,618	9,830	17,706	2,742
863	715 SOUTHMOORE CHORUS CASH		563	-	520	43
868	715 SOUTHMOORE POM PON JV		378	-	-	378
869	715 SOUTHMOORE CHEER JV		40	-	-	40
870	715 CLASS OF 2020 CASH ACCT.		1,465	17,510	15,763	3,212
879	715 SOUTHMOORE DECA CASH		19,210	15,856	9,235	25,830
882	715 SOUTHMOORE DRAMA CASH		1,120	38,740	32,627	7,233
886	715 CLASS OF 2022 CASH ACCT.		-	1,485	633	853
895	715 SOUTHMOORE BUSINESS PRO. OF AMERICA CASH		147	4,508	3,328	1,327
897	715 SOUTHMOORE FCCLA CASH		10,649	5,512	7,931	8,230
901	715 FRENCH CLUB CASH ACCT.		507	-	-	507
904	715 ART APPRECIATION CASH ACCT.		-	3,392	1,744	1,648
914	715 SOUTHMOORE JCL/JR. CLASSICAL LEAGUE CASH		53	653	610	96
926	715 SOUTHMOORE MODEL UN CASH		1,358	1,628	1,378	1,608
927	715 SOUTHMOORE LINK CREW CASH		3,316	1,629	2,582	2,362
931	715 SOUTHMOORE MEDIA CASH		2,429	276	331	2,374
934	715 SOUTHMOORE MULTICULTURAL CLUB CASH		981	-	-	981
937	715 SOUTHMOORE NATIONAL HONOR SOCIETY CASH		12,406	11,734	10,719	13,422
940	715 NATIVE AMERICAN STUDENT ASSOC. CASH ACCT		1,205	-	105	1,100
949	715 SOUTHMOORE POM PON SQUAD CASH		1,812	763	245	2,330
952	715 SOUTHMOORE PSAT/ACT CASH		11,572	840	933	11,479
954	715 SOUTHMOORE SPECIAL ED. MR/MH CASH		5,855	5,991	4,718	7,129
960	715 SOUTHMOORE STAFF ACCOUNT CASH		259	1,730	1,097	892
961	715 SOUTHMOORE SCIENCE CLUB CASH ACCT		1,242	971	924	1,289
965	715 SOUTHMOORE SPECIAL EDUCATION CASH A		3,189	4,782	4,038	3,934
966	715 SPECIAL PROJECTS CASH ACCT.		17,543	-	-	17,543
967	715 SOUTHMOORE SPEECH CASH		3,601	3,213	2,706	4,108
970	715 SOUTHMOORE SPECIAL ATHLETES		10,719	4,071	6,914	7,875
973	715 SOUTHMOORE STUDENT COUNCIL CASH		3,816	6,302	7,144	2,974
974	715 SOUTHMOORE STUDENT STORE CASH		14,601	109,671	100,159	24,113
980	715 SOUTHMOORE VISUAL ART/2-D CASH		3,882	3,689	6,669	903
985	715 SOUTHMOORE STUDENT PLANNERS CASH		9,192	15,119	18,230	6,081
993	715 SOUTHMOORE YEARBOOK CASH		43,049	13,931	18,241	38,739
995	715 SOUTHMOORE YOUTH AND GOVERNMENT CASH		591	2,914	2,370	1,135
Total		\$	4,302,145	6,950,787	6,705,823	4,547,109

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor / Pass Through	Federal CFDA Number	Federal Grantor's/ Pass-through No.	Program or Award Amount	Beginning Balance 7/1/18	Revenue Collected	Total Expenditures	Ending Balance 6/30/19
U.S. Department of Education							
Direct Programs:							
Title VII Indian Education	84.060A	S060A180041	\$ 642,542		642,542	642,542	0
Title VII Indian Education - Note	84.060A			97,695	97,695		
P.L. 874 Impact Aid	84.041		142,713	85,639	142,713	228,352	
P.L. 874 Impact Aid Special Education	84.041		114,795	12,666	114,795	28,961	
Sub Total			<u>900,050</u>	<u>196,000</u>	<u>997,745</u>	<u>899,855</u>	<u>0</u>
Passed Through State Department of Education:							
Title I	84.010	S010A180036	2,738,005		2,075,621	2,532,381	456,760
Title I Note	84.010			580,872	580,872		
Title I School Improvement	84.010	S010A180036	14,488		14,488	14,488	0
Title I Neglected	84.010	S010A180036	51,397		29,846	32,698	2,852
Title I Neglected - Note	84.010			3,018	3,018		
*Special Education Program Cluster:							
IDEA-B Flowthrough	84.027	H027A180051	5,662,627		3,975,127	4,451,188	476,061
IDEA-B Flowthrough Note	84.027			468,919	468,919		
IDEA-B Private	84.027	H027A160051	6,503		0	0	0
IDEA-B Professional development	84.027		12,448		6,381	12,448	6,067
IDEA-B Preschool	84.173	H173A180084	114,125		53,085	63,626	10,541
IDEA-B Preschool - Note	84.173			21,012	21,012		
Total Special Education cluster			<u>5,795,703</u>	<u>489,931</u>	<u>4,524,524</u>	<u>4,527,262</u>	<u>492,669</u>
Title II Part A	84.367	S367A180035	698,084		510,836	584,293	73,457
Title II Part A - Note	84.367			69,976	69,976		
Title III Emergency Immigration	84365A	S365A180036	85,428		65,447	68,442	2,995
Title III Part A Limited English Proficiency	84.365	S365A180036	120,674		72,533	77,748	5,215
Title III Part A Limited English Proficiency- Note	84.365			4,532	4,532		
Title IV Part A	84.186		86,796		11,625	16,049	4,424
Sub Total			<u>9,590,575</u>	<u>1,148,329</u>	<u>7,963,318</u>	<u>7,853,361</u>	<u>1,038,372</u>
Passed Through State Department of Career and Technology Education:							
Carl Perkins	84.048		99,445		79,647	99,445	19,798
Carl Perkins - Note	84.048			35,555	35,555		
High Schools That Work	84.048		36,000		28,368	28,368	0
High Schools That Work - Note	84.048			35,703	35,703		
Sub Total			<u>135,445</u>	<u>71,258</u>	<u>179,273</u>	<u>127,813</u>	<u>19,798</u>
U.S. Department of Agriculture:							
Passed Through State Department of Education							
*Child Nutrition Program Cluster:							
School Breakfast Program	10.553	6OK300329		2,000,021	1,093,850	521,721	
National School Lunch Program	10.555	6OK300329		1,560,765	4,342,475	4,578,698	
Summer Food Program	10.559	6OK300329		71,600	96,493	21,198	
Sub Total				<u>3,632,386</u>	<u>5,532,818</u>	<u>5,121,617</u>	<u>0</u>
Passed Through Department of Human Service							
Commodities - Note 1	10.555				698,715	698,715	
Total Child Nutrition cluster					<u>6,231,533</u>	<u>5,820,332</u>	
U.S. Department of Homeland Security:							
Passed Through Federal Emergency Management Agency:							
Passed Through State of Oklahoma Department of Emergency Management							
Public Assistance Alternative Program - Note	97.036	PA-06-OK-4117		1,615,626	920,632	0	
Other Federal Assistance:							
Johnson O'Malley	15.130	A17AV000335	68,519		11,475	45,566	65,445
Rehabilitation	84.126		27,307		27,307	217	
Sub Total			<u>95,826</u>	<u>0</u>	<u>38,782</u>	<u>45,783</u>	<u>65,445</u>
Total Federal Assistance			<u>\$ 10,721,896</u>	<u>6,663,599</u>	<u>16,331,283</u>	<u>14,747,144</u>	<u>1,123,615</u>

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

Note 1 - Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal activity of the District for the year ended June 30, 2019. This information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended and does not present the financial position, changes in net assets, or cash flows of the District.

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

Note 3 - Non-Monetary Assistance - Commodities received by the District in the amount of \$698,715 were of a non-monetary nature and therefore the total revenue does not agree with the financial statements

* Major Programs

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
STATEMENT OF STATUTORY, FIDELITY AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2019

<u>BONDING COMPANY</u>	<u>POSITION COVERED</u>	<u>BOND NUMBER</u>	<u>COVERAGE AMOUNT</u>	<u>EFFECTIVE DATES</u>
RLI Insurance Co.	Superintendent	LSM0600531	\$ 100,000	7-1-18 to 7-1-19
Universal Insurance Co.	Treasurer	LSF601083374	250,000	10-6-18 to 10-6-19
	Deputy Treasurer	3686578	250,000	9-16-18 to 9-16-19
The Ohio Casualty Co.	Deputy Treasurer	5093033	250,000	12-10-18 to 12-10-19
America First Insurance Co.	Board Clerk	2820964	10,000	7-1-18 to 7-1-19
	Child Nutrition	2820964	10,000	7-1-18 to 7-1-19
	Activity Fund	2820964	10,000	7-1-18 to 7-1-19
	Encumbrance clerk	2820964	10,000	7-1-18 to 7-1-19
	Minutes clerk	2820964	10,000	7-1-18 to 7-1-19

INDEPENDENT SCHOOL DISTRICT NO. I-2, CLEVELAND COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE
AFFIDAVIT
JULY 1, 2018 TO JUNE 30, 2019

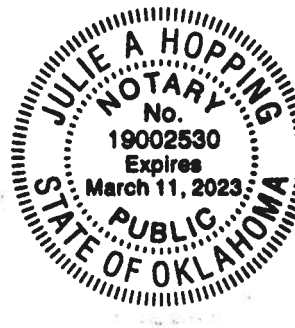
State of Oklahoma)
) ss
County of Tulsa)

The undersigned auditing firm of lawful ages, 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 Moore Public Schools for the audit year 2018-19.

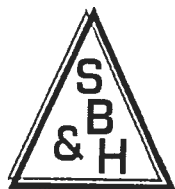
Sanders, Bledsoe & Hewett,
Certified Public Accountants, LLP
Auditing Firm

By Jeffrey D. Hewett
Authorized Agent

Subscribed and sworn to before me
This 17th day of December, 2019



Julie A. Hopping
Notary Public (or Clerk or Judge)
My Commission Expires: 03/11/2023
Commission No. 19002530



SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Stephen H. Sanders, CPA (ret.)
Eric M. Bledsoe, CPA
Jeffrey D. Hewett, CPA
Christopher P. Gullekson, CPA

P.O. BOX 1310 • 101 N. MAIN ST. • BROKEN ARROW, OK 74013 • (918) 449-9991 • (800) 522-3831 • FAX (918) 449-9779

December 17, 2019

Dr. Robert Romines, Supt.
Moore Public Schools
1500 SE 4th
Moore, Oklahoma 73160

Dear Dr. Romines:

Listed below are the audit exceptions and recommendations from the final audit work we performed for you. These items are referred to in your audit report. Please review them very carefully, along with the review copy of your audit report. If you have questions or desire additional information, please call us so that any discrepancies may be resolved.

Child Nutrition

We observed during the audit of the child nutrition programs that the net cash resources (fund balance) for the child nutrition fund at June 30, 2019, exceeded the three months average expenditures allowed by the State Department of Education. We recommend that the administration contact the Child Nutrition Division at the State Department of Education and seek their guidance concerning this matter. In addition, we observed during the audit that the district did not code enough expenditures to the school breakfast program, to substantiate the amount of revenue which was received. We recommend that the District implement procedures to review, at year end, what has been coded as an expenditure to the project code, compared to what was coded as received for the project code and make any adjustments as necessary.

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

Sincerely,

Jeff Hewett

For
Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP