AUDITED FINANCIAL STATEMENTS - REGULATORY BASIS
AND REPORTS OF INDEPENDENT AUDITOR

SPERRY SCHOOL DISTRICT NO. I-8,
TULSA COUNTY, OKLAHOMA

JUNE 30, 2023

JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

INDEPENDENT SCHOOL DISTRICT NO. I-8
TULSA COUNTY, OKLAHOMA
JUNE 30, 2023

TABLE OF CONTENTS

INDEPENDENT SCHOOL DISTRICT NO. I-8
TULSA COUNTY, OKLAHOMA
JUNE 30, 2023

TABLE OF CONTENTS

INDEPENDENT SCHOOL DISTRICT NO. I-8
TULSA COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2023

BOARD OF EDUCATION

President	Jeff Carter
Vice-President	Gary Juby
Clerk	April Bowman
Deputy Clerk	Mechelle Beats
Member	Michelle Brown

SUPERINTENDENT OF SCHOOLS

Dr. Brian Beagles

BUSINESS MANAGER

Misty Fisher

SCHOOL DISTRICT TREASURER

Whitney Ficklin

JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Sperry School District No. I-008
Sperry, Oklahoma 74073-4122

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying combined fund type and account group financial statements-regulatory basis of Sperry School District No. I-008, Sperry, Oklahoma (the "School District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting
In our opinion, except for the effects of the matter described in the following paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions of each fund type and account group of the District as of June 30, 2023, and the revenues collected and expenditures paid and encumbered, of each fund type, for the year then ended, on the regulatory basis of accounting described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because the significance of the matter discussed in the previous paragraph, the basic 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 Sperry School District No. I-008, Tulsa County, Oklahoma as of June 30, 2023, or the revenues, expenses, and changes in net position and, where applicable, its cash flows for the year then ended.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sperry School District No. I-008, Sperry, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1, the financial statements are prepared by the Sperry School District No. I-008, 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 reasonably determinable, are presumed to be material and pervasive.

116 WEST BRECKENRIDGE AVE, BIXBY, OK 74008
PHONE: 918.366.4440 FAX: 918.366.4443
WWW.JENKINSKEMPER.COM

Responsibilities of Management 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 as described in Note 1, to meet the financial reporting requirements of the State of Oklahoma. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

The combining 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements-regulatory basis and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole on the regulatory basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 6, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

December 6, 2023

COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2023

		GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPES	ACCOUNT GROUP	
ASSETS	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST AND AGENCY FUND	GENERAL LONG-TERM DEBT	TOTALS (MEMO ONLY)
Cash	$ 3,073,784	718,242	255,390	1,857,217	255,630		6,160,263
Investments	300,000						300,000
Amounts available in debt service						62,853	62,853
Amounts to be provided for retirement of general long-term debt						7,813,414	7,813,414
Total Assets	3,373,784	718,242	255,390	1,857,217	255,630	7,876,267	14,336,530
LIABILITIES AND FUND BALANCES							
Liabilities							
Warrants payable	230,514	39,732		8,712			278,958
Encumbrances	97,371	15,309					112,680
Funds held for school organizations					255,630		255,630
Unmatured obligations			192,537				192,537
Long-term debt:							
Bonds payable						2,125,000	2,125,000
Capital leases						5,751,267	5,751,267
Total liabilities	327,885	55,041	192,537	8,712	255,630	7,876,267	8,716,072
Fund balances							
Restricted for:							
Capital projects				1,848,505			1,848,505
Debt service			62,853				62,853
Child nutrition		267,808					267,808
Building		395,393					395,393
Unassigned	3,045,899						3,045,899
Total fund balances	3,045,899	663,201	62,853	1,848,505	-		5,620,458
Total liabilities and fund balances	$ 3,373,784	718,242	255,390	1,857,217	255,630	7,876,267	14,336,530

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

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH FUND BALANCES REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES
JUNE 30, 2023

	GOVERNMENTAL FUND TYPES				
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTALS (MEMO ONLY)
Revenues					
Local sources	$ 1,741,156	328,188	1,176,619		3,245,963
Intermediate sources	394,058				394,058
State sources	6,181,137	164,843			6,345,980
Federal sources	1,084,254	446,716			1,530,970
Non-revenue receipts	10,217	300			10,517
Total revenues	9,410,822	940,047	1,176,619		11,527,488
Expenditures					
Instruction	5,766,823			124,649	5,891,472
Support services	3,555,064	255,815		920,025	4,730,904
Operation of non-instructional services	475	598,775			599,250
Facilities, acquisition and const. services		150			150
Other outlays	193	300			493
Debt service			1,161,095		1,161,095
Total expenditures	9,322,555	855,040	1,161,095	1,044,674	12,383,364
Revenues over (under) expenditures	88,267	85,007	15,524	(1,044,674)	(855,876)
Other financing sources (uses)					
Lapsed appropriations	1,713	9			1,722
Estopped warrants	1,858				1,858
Bond proceeds				1,075,000	1,075,000
Total other financing sources (uses)	3,571	9		1,075,000	1,078,580
Revenue and other sources over (under) expenditures and other uses	91,838	85,016	15,524	30,326	222,704
Cash fund balance, beginning of year	2,954,061	578,185	47,329	1,818,179	5,397,754
Cash fund balance, end of year	$ 3,045,899	663,201	62,853	1,848,505	5,620,458

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

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - REGULATORY BASIS - BUDGETED GENERAL FUND
JUNE 30, 2023

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	$ 1,505,928	1,505,928	1,741,156
Intermediate sources	356,675	356,675	394,058
State sources	5,624,087	5,624,087	6,181,137
Federal sources	1,767,398	1,767,398	1,084,254
Non-revenue receipts			10,217
Total revenues	9,254,088	9,254,088	9,410,822
Expenditures			
Instruction			5,766,823
Support services			3,555,064
Operation of non-instructional services			475
Other outlays			193
Non-categorical	12,208,149	12,208,149	
Total expenditures	12,208,149	12,208,149	9,322,555
Revenues over (under) expenditures	(2,954,061)	(2,954,061)	88,267
Other financing sources (uses)			
Lapsed appropriations			1,713
Estopped warrants			1,858
Total other financing sources (uses)			3,571
Revenue and other sources over (under) expenditures and other uses	(2,954,061)	(2,954,061)	91,838
Cash fund balance, beginning of year	2,954,061	2,954,061	2,954,061
Cash fund balance, end of year	$ -	-	3,045,899

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

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - ALL BUDGETED SPECIAL REVENUE FUNDS
JUNE 30, 2023

	SPECIAL REVENUE FUNDS		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	$ 212,626	212,626	328,188
State sources	138,207	138,207	164,843
Federal sources	653,571	678,613	446,716
Non-revenue receipts	960	960	300
Total revenues	1,005,364	1,030,406	940,047
Expenditures			
Instruction			
Support services			255,815
Operation of non-instructional services			598,775
Facilities acquisitions and construction			150
Other outlays			300
Non-categorical	1,583,549	1,608,591	
Total expenditures	1,583,549	1,608,591	855,040
Revenues over (under) expenditures	(578,185)	(578,185)	85,007
Other financing sources (uses)			
Lapsed appropriations			9
Revenue and other sources over (under) expenditures and other uses	(578,185)	(578,185)	85,016
Cash fund balance, beginning of year	578,185	578,185	578,185
Cash fund balance, end of year	$ -	-	663,201

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

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - REGULATORY BASIS - DEBT SERVICE FUNDS
JUNE 30, 2023

	DEBT SERVICE FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	$ 1,113,766	1,113,766	1,176,619
Total revenues	1,113,766	1,113,766	1,176,619
Expenditures			
Other outlays			
Debt service	1,161,095	1,161,095	1,161,095
Revenues over (under) expenditures	(47,329)	(47,329)	15,524
Cash fund balance, beginning of year	47,329	47,329	47,329
Cash fund balance, end of year	$ -	-	62,853

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

NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS

1. **Summary of Significant Accounting Policies**

The basic financial statements of the Sperry Public Schools Independent District No. I-8 (the "District") have been prepared in conformity with another comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

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 elected members. The appointed superintendent is the executive officer of the District.

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

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

B. Fund Accounting

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

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

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

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

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

B. Fund Accounting - contd.

Co-op Fund - The co-op fund is established when the boards of education of two or more school districts enter into cooperative agreements and maintain joint programs. The revenues necessary to operate a cooperative program can come from federal, state, or local sources, including the individual contributions of participating school districts. The expenditures for this fund would consist of those necessary to operate and maintain the joint programs. The District did not maintain this fund during the 2022-23 fiscal year.

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 Funds - 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.

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). The District has no proprietary fund types.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under a trust agreement, either a nonexpendable trust fund or an expendable trust fund is used depending on whether there is an obligation to maintain trust principal. Agency

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

B. Fund Accounting - contd.

funds are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

Expendable Trust Funds - Expendable trust funds include the gifts fund, medical insurance fund, worker's compensation fund and the insurance recovery fund. The District did not maintain any expendable trust funds in the 2022-23 fiscal year.

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

Medical Insurance Fund - The medical insurance fund accounts for revenues and expenditures for all types of self-funded medical insurance coverage.

Workers Compensation Fund - The worker's compensation fund accounts for revenues and expenditures for worker's compensation claims.

Insurance Recovery Fund - The insurance recovery fund accounts for all types of insurance recoveries, major reimbursements and reserves for property repairs and replacements.

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

Account Group

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

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

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

B. *Fund Accounting* - contd.

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

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, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund 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.* This format significantly differs from that required by GASB 34.

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Investments and inventories are recorded as assets when purchased.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

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

C. Basis of Accounting and Presentation – contd.

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

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.

The District may upon approval by a majority of the electors of the District voting on the question make the ad valorem levy for emergency levy and local support levy permanent.

Under current Oklahoma Statutes, a formal budget is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories.

E. Assets, Liabilities and Fund Balances

Cash - Cash consists of cash on hand, demand deposit accounts, and interest-bearing checking accounts.

Investments - Investments consist of direct obligations of the United States Government and agencies; certificates of deposit of savings and loan associations, bank and trust companies; savings accounts or savings certificates of savings and loan associations, and trust companies; and warrants, bonds or judgments of the district. All investments are recorded at cost, which approximates market value.

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

E. Assets, Liabilities and Fund Balances – contd.

Inventories - The value of consumable inventories at June 30, 2023 is not material to the combined financial statements-regulatory basis.

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

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.

Unmatured Obligations - The unmatured obligations represent the total of all annual accruals for both principal and interest, based on the lengths of the bonds and/or judgments, less all principal and interest payments through the balance sheet date in accordance with the regulatory basis of accounting.

Funds Held for School Organizations - Funds held for school organizations represent the funds received or collected from students or other co-curricular 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. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

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

E. Assets, Liabilities and Fund Balances – contd.

Fund Balance – Cash fund balance represents the funds not encumbered by purchase order, legal contracts, outstanding warrants and unmatured obligations.

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 special purposes versus availability of appropriations. 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) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

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

- **Restricted** fund balance represents amounts that are constrained either externally by creditors, 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 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. The School Board is the highest level of decision-making authority of the School District.
- **Assigned** fund balance represents amounts that are *intended* to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances includes all remaining spendable amounts (except negative balances) that are reported in governmental funds *other than the general fund* that are neither restricted nor committed and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.

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

E. Assets, Liabilities and Fund Balances – contd.

- **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 roll for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes are due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owned. 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 interest earnings, 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 were collected within such systems.

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.

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

F. Revenue and Expenditures- contd.

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

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

The aforementioned state revenues are apportioned to the District's 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 pass-through from another government, such as the state.

An entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes.

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

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

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

F. Revenue and Expenditures - contd.

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 improvement to sites.

Other Outlays/Uses 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) when applicable. Other uses include scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditure 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.

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

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

F. Revenue and Expenditures - contd.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. There were no operating transfers made during the 2022-23 fiscal year.

2. **Deposits and Investments**

Custodial Credit Risk

At June 30, 2023, the District held deposits of approximately $6,460,263 at financial institutions. The District's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. government insured or collateralized with securities held by the District or by its agent in the District's name.

Investment Interest Rate Risk

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

Investment Credit Risk

The District has no policy that limits its investment choices other than the limitation of state law as follows:

a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
b. 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 deposits or savings accounts in out-of-state financial institutions.
c. With certain limitation, negotiable certificates of deposit, prime banker's acceptances, prime commercial paper and repurchase agreements with certain limitations.
d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipations notes of public trusts whose beneficiary is a county, municipality or school district.

2. **Deposits and Investments** – cont'd

e. 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.
f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

The investments held at June 30, 2023 are as follows:

Type	Weighted Average Maturity (Months)	Market Value	Cost
Investments			
Money Market		$ 0	$ 0
Municipal tax-supported money judgments		0	0
Certificate of Deposit		300,000	300,000
Total investments		$ 300,000	$300,000

Concentration of Investment Credit Risk

The District places no limit on the amount it may invest in any one issuer. The District has the following of credit risk: 0% in Money Market funds, 0% in Municipal tax-supported money judgments and 100% in CDs ($300,000).

3. **General Long-term Debt**

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues can be 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 bonds payable and a capital lease. Debt service requirements for bonds are payable solely from the fund balance and the future revenues of the debt service fund.

General long-term debt of the District consists of building bonds payable and two (2) capital leases. Debt service requirements for bonds are payable solely from the fund balance and the future revenues of the debt service fund.

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

3. **General Long-term Debt** – contd.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2023:

	Bonds Payable	Capital Leases	Totals
Balance, July 1, 2022	$ 2,050,000	6,182,247	8,232,247
Additions	1,075,000	179,856	1,254,856
Retirements	1,000,000	610,836	1,610,836
Balance, June 30, 2023	$ 2,125,000	5,751,267	7,876,267

A brief description of the outstanding long-term debt at June 30, 2023 is set forth below:

	Amount outstanding
General Obligation Bonds	
Comb. Purp. Bonds, Series 2022, original issue $1,050,000, interest rate of 1.45%, due in one installment of $1,050,000 due 5-01-24;	$ 1,050,000
Comb. Purp. Bonds, Series 2023, original issue $1,075,000, interest rate of 4.0%, due in one installment of $1,075,000 due 5-01-25;	1,075,000
Capital Leases	
Lease-purchase for LED field lighting totaling $475,400, interest rate of 4.5%, due in three annual installments beginning 6-30-23, final payment due 6-30-25;	179,856
Lease-purchase for renovations totaling $6,710,000, due in various annual principal and interest installments beginning 8-20-19, final payment due 8-20-28;	5,571,411
Totals	$ 7,876,267

3. **General Long-term Debt** – contd.

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

Year ending June 30	Principal	Interest	Total
2024	$1,050,000	58,225	1,108,225
2025	1,075,000	43,000	1,118,000
Total	$2,125,000	101,225	2,226,225

There was $19,225 interest paid on general long-term debt incurred during the current year.

The annual principal and interest payments for capital leases are as follows:

Year ending June 30	Principal	Interest	Total
2024	$ 641,790	219,385	861,175
2025	616,743	194,359	811,102
2026	669,725	170,275	840,000
2027	745,108	144,892	890,000
2028	823,348	116,652	940,000
2029-2033	2,254,552	85,448	2,340,000
Total	$5,751,266	931,011	6,682,277

4. **Employee Retirement System**

Plan Description

The District participates in the state-administered Oklahoma Teachers' Retirement Plan, 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 Teachers' Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, OK 73152 or by calling (405) 521-2387.

4. **Employee Retirement System** – cont'd

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.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employees 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 liability amount is not required to be presented on the financial statements.

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. Beginning, July 1, 2010, the District and State were required to contribute 14.5% of applicable compensation. Contributions received by the System are from a percentage of its revenues from sales taxes, use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% beginning January 1, 2010 and the State of Oklahoma contributed the remaining 5.0% during the year. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. In addition, the District is required to match the retirement paid on salaries that are funded with federal funds.

Annual Pension Cost

The District's portion of the total contributions for 2023, 2022 and 2021 were $600,995, $484,609 and $439,610 respectively.

5. Contingencies

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

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; and natural disasters. The District continues to carry commercial insurance for these risks, including general and auto liability, property damage, and public official's liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

7. Subsequent Events

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

OTHER SUPPLEMENTARY INFORMATION – REGULATORY BASIS - COMBINING FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2023

ASSETS	BUILDING FUND	CHILD NUTRITION FUND	TOTALS (MEMO ONLY)
Cash	$ 413,158	305,084	718,242
Total assets	413,158	305,084	718,242
LIABILITIES AND FUND BALANCES			
Liabilities			
Warrants payable	2,456	37,276	39,732
Encumbrances	15,309		15,309
Total liabilities	17,765	37,276	55,041
Fund balances			
Restricted	395,393	267,808	663,201
Total liabilities and fund balances	$ 413,158	305,084	718,242

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH FUND BALANCES - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2023

	BUILDING FUND	CHILD NUTRITION FUND	TOTALS (MEMO ONLY)
Revenues			
Local sources	$ 255,107	73,081	328,188
State sources	121,646	43,197	164,843
Federal sources		446,716	446,716
Non-revenue receipts		300	300
Total revenues	376,753	563,294	940,047
Expenditures			
Support services	255,815		255,815
Operation of non-instructional services		598,775	598,775
Facilities, acquisition and const. services	150		150
Other outlays		300	300
Total expenditures	255,965	599,075	855,040
Revenues over (under) expenditures	120,788	(35,781)	85,007
Other financing sources (uses)			
Lapsed appropriations		9	9
Revenue and other sources over (under) expenditures and other uses	120,788	(35,772)	85,016
Cash fund balance, beginning of year	274,605	303,580	578,185
Cash fund balance, end of year	$ 395,393	267,808	663,201

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
- REGULATORY BASIS - ALL BUDGETED SPECIAL REVENUE FUNDS
JUNE 30, 2023

	BUILDING FUND			CHILD NUTRITION FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues						
Local sources	$ 205,585	205,585	255,107	7,041	7,041	73,081
State sources	97,499	97,499	121,646	40,708	40,708	43,197
Federal sources				653,571	678,613	446,716
Non-revenue receipts				960	960	300
Total revenues	303,084	303,084	376,753	702,280	727,322	563,294
Expenditures						
Support services			255,815			
Operation of non-instructional services						598,775
Facilities acquisitions and construction			150			
Other outlays						300
Non-categorical	577,689	577,689		1,005,860	1,030,902	
Total expenditures	577,689	577,689	255,965	1,005,860	1,030,902	599,075
Revenues over (under) expenditures	(274,605)	(274,605)	120,788	(303,580)	(303,580)	(35,781)
Other financing sources (uses)						
Lapsed appropriations						9
Revenue and other sources over (under) expenditures and other uses	(274,605)	(274,605)	120,788	(303,580)	(303,580)	(35,772)
Cash fund balance, beginning of year	274,605	274,605	274,605	303,580	303,580	303,580
Cash fund balance, end of year	$ -	-	395,393	-	-	267,808

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - REGULATORY BASIS - ALL CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	31 BUILDING BOND FUND	34 BUILDING BOND FUND	35 BUILDING BOND FUND	36 BUILDING BOND FUND	37 BUILDING BOND FUND	TOTALS (MEMO ONLY)
ASSETS						
Cash	$ 153,209	152,617	184,600	305,175	1,061,616	1,857,217
Total assets	153,209	152,617	184,600	305,175	1,061,616	1,857,217
LIABILITIES AND FUND BALANCES						
Liabilities						
Warrants payable	8,712					8,712
Fund balances						
Restricted	144,497	152,617	184,600	305,175	1,061,616	1,848,505
Total liabilities and fund balances	$ 153,209	152,617	184,600	305,175	1,061,616	1,857,217

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH FUND BALANCES - REGULATORY BASIS - ALL CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	31 BUILDING BOND FUND	34 BUILDING BOND FUND	35 BUILDING BOND FUND	36 BUILDING BOND FUND	37 BUILDING BOND FUND	38 BUILDING BOND FUND	39 BUILDING BOND FUND	TOTALS (MEMO ONLY)
Expenditures								
Instruction	$ 122,212	2,437						124,649
Support services	9,331	6,471	95,146	740,998	13,384	52,006	2,689	920,025
Total expenditures	131,543	8,908	95,146	740,998	13,384	52,006	2,689	1,044,674
Revenues over (under) expenditures	(131,543)	(8,908)	(95,146)	(740,998)	(13,384)	(52,006)	(2,689)	(1,044,674)
Other financing sources (uses)								
Bond proceeds					1,075,000			1,075,000
Revenues over (under) expenditures	(131,543)	(8,908)	(95,146)	(740,998)	1,061,616	(52,006)	(2,689)	30,326
Cash fund balance, beginning of year	276,040	161,525	279,746	1,046,173	-	52,006	2,689	1,818,179
Cash fund balance, end of year	$ 144,497	152,617	184,600	305,175	1,061,616	-	-	1,848,505

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Balance July 1, 2022	Additions	Net Transfers	Deletions	Balance June 30, 2023
Assets					
Cash	$ 240,471	469,735	-	454,576	255,630
Liabilities					
Funds held for student organizations					
Athletics	29,014	80,009	-	58,669	50,354
Football	1,371	12,428	-	10,494	3,305
Boys Basketball	132	-	-	-	132
Girls Basketball	805	4,299	-	3,757	1,347
Volleyball	17	-	-	17	-
Wrestling	114	1,000	-	453	661
Golf	-	9,020		8,496	524
Softball Booster Club	2,815	6,925	-	8,223	1,517
Baseball	218	-	-	218	-
Basketball Booster Club	8,704	24,920	-	18,728	14,896
Baseball Booster Club	4,072	21,300	-	16,065	9,307
Miscellaneous	12,435	3,305	-	8,143	7,597
FFA	30,393	67,233	-	71,318	26,308
Special Olympics	4,151	7,576	-	3,896	7,831
Yearbook	6,680	5,483	-	7,845	4,318
Band	5,887	25,952	-	31,806	33
HS Cheerleaders	9,902	27,047	-	26,956	9,993
High School Account	5,477	5,950	-	8,766	2,661
Interest	193	1,070	-	86	1,177
Band Booster Club	5,135	20,822	-	19,516	6,441
Elementary	40,961	29,026	-	25,723	44,264
Shooting Sports	2,757	1,616	-	2,795	1,578
Key Club	1,202	200	-	53	1,349
MS Student Council	1,663	-	-	-	1,663
MS Cheerleaders	5,241	3,667	-	4,361	4,547
HS Library	750	-	-	-	750
Clearing	8,726	1,298	-	10,024	-
4-H/FFA Parents Club	2,196	11,840	-	11,844	2,192
Middle School Account	6,913	6,233	-	10,099	3,047
Football Fan Club	18,771	15,813	-	18,114	16,470
HS Student Council	940	515	-	374	1,081
Athletic Concession	4,651	42,698	-	36,847	10,502
National Honor Society	87	582	-	563	106
Elem Library	4,048	16,714	-	16,663	4,099
Academic Bowl	3,080	3,018	-	1,674	4,424
AP Account	611	194	-	176	629
1st Robotics	45	535	-	237	343
Class of 2021	25	-	-	25	-
Class of 2022	2,252	-	-	2,252	-
Class of 2023	7,473	2,277	-	5,284	4,466
Class of 2024	175	9,100	-	4,016	5,259
Class of 2025	389	70	-	-	459
Total Liabilities	$ 240,471	469,735	-	454,576	255,630

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Federal Award Listing Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2022	Revenue Collected	Total Expenditures	Ending Balance 6/30/2023
U.S. Department of Education							
Direct Programs:							
Title VI-Part A, Indian Education	84.060	561	$ 81,945		54,493	81,740	(27,247)
Title VI-Part A, Indian Education 2021-22	84.060	799		(25,084)	25,084		
Subtotal - Direct Programs			81,945	(25,084)	79,577	81,740	(27,247)
Passed Through State Department of Education:							
* Title I-Part A, Improving Basic Programs	84.010	511	240,966		240,966	240,966	
Title I-Part A, Improving Basic Programs 2021-22	84.010	799		(1,246)	1,246		
Title II-Part A, Teacher & Principal Training	84.367	541	31,058		30,693	30,693	
Title IV-SSAE Grant	84.424A	552	15,833		11,289	13,984	(2,695)
Title IV-SSAE Grant 2021-22	84.424A	799		(594)	594		
Title V-Part B subpart 2 RLIS	84.358B	587	21,241		20,483	20,483	
* *Education Stabilization Funds (Covid19)*							
ARP ESSER Science of Reading (Covid19)	84.425U	726	1,292		1,292	1,292	
ESSER II (Covid19)	84.425D	793	16,339		16,339	16,339	
ARP/ESSER III (Covid19)	84.425U	795	1,101,086		392,244	507,153	(114,909)
ARP/ESSER III (Covid19) 2021-22	84.425U	799		(10,595)	10,595		
Subtotal - Education Stabilization Funds (Covid19)			1,118,717	(10,595)	420,470	524,784	(114,909)
Special Education Cluster:							
Special Education PD sponsored	84.027	613	990		794	794	
Special Education PD district	84.027	615	2,024		2,015	2,015	
Special Education Secondary Transition Services	84.027	618	1,101			1,101	(1,101)
IDEA-B Flowthrough	84.027	621	221,092		221,092	221,092	
ARP/IDEA-B Flowthrough	84.027X	628	51,384		51,384	51,384	
IDEA-B Preschool	84.173	641	2,671		2,626	2,626	
Subtotal - Special Education Program (Cluster)			279,262	-	277,911	279,012	(1,101)
Subtotal - Passed Through State Dept of Education			$ 1,707,077	(12,435)	1,003,652	1,109,922	(118,705)
U.S. Department of Agriculture:							
Passed Through State Department of Education:							
P-EBT Program	10.649	760			628	628	

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Federal Award Listing Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2022	Revenue Collected	Total Expenditures	Ending Balance 6/30/2023
Child Nutrition Cluster:							
Cash Assistance:							
Supply Chain Assistance	10.555	759		10,159	37,721	40,284	7,596
National School Lunch Program	10.555	763		172,741	250,334	423,066	9
School Breakfast Program	10.553	764			158,033	80,595	77,438
Cash Assistance Subtotal				182,900	446,088	543,945	85,043
Passed Through State Department of Human Services:							
Non-cash Assistance (Commodities)	10.555	N/A			55,870	55,870	
Subtotal - Child Nutrition Program (Cluster)				182,900	501,958	599,815	85,043
Other Federal Assistance:							
Flood Control	12.112	771	$ 1,025		1,025	1,025	
Subtotal - Other Federal Assistance			1,025	-	1,025	1,025	-
Total Federal Assistance			$ 1,790,047	145,381	1,586,840	1,793,130	(60,909)

* Major federal programs

Note 1 - Commodities received by the District in the amount of $55,870 were of a non-monetary nature and therefore the total revenue does not agree with the financial statements by this amount. These commodities are reported at fair market value.

Note 2 - There were no amounts passed to subrecipients.

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

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

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
SCHEDULE OF SURETY BONDS
FOR THE YEAR ENDED JUNE 30, 2023

BONDING COMPANY	POSITION COVERED	BOND NUMBER	COVERAGE AMOUNT	EFFECTIVE DATES
Western Surety Company	Superintendent	W150072292	$100,000	9/20/22-9/20/23
	Business Manager	W150412288	$100,000	7/1/22-7/1/23
	Treasurer	W150412298	$100,000	7/1/22-7/1/23
	Encumbrance Clerk	W150381740	$100,000	7/6/22-7/6/23
	Activity Fund Custodian	W150381740	$100,000	7/6/22-7/6/23
	Minutes Clerk	W150412288	$100,000	7/1/22-7/1/23
	Payroll Clerk	W150412288	$100,000	7/1/22-7/1/23

JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

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

The Honorable Board of Education
Sperry School District No. I-008
Sperry, Oklahoma 74073-4122

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements-regulatory basis as listed in the Table of Contents, of Sperry School District No. I-008, Sperry, Oklahoma, as of and for the year ended June 30, 2023, 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 6, 2023. This report 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 qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over 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.

116 WEST BRECKENRIDGE AVE, BIXBY, OK 74008
PHONE: 918.366.4440 FAX: 918.366.4443
WWW.JENKINSKEMPER.COM

Report on Compliance and Other Matters

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

Purpose of This Report

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

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

December 6, 2023

JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

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

The Honorable Board of Education
Sperry School District No. I-008
Sperry, Oklahoma 74073-4122

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited the Sperry School District No. I-008, Sperry, Oklahoma's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Sperry School District No. I-008, Sperry, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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

We are required to be independent of Sperry School District No. I-008, Sperry, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

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

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

116 WEST BRECKENRIDGE AVE, BIXBY, OK 74008
PHONE: 918.366.4440 FAX: 918.366.4443
WWW.JENKINSKEMPER.COM

made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

December 6, 2023

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JULY 1, 2022 TO JUNE 30, 2023

Summary of Auditor's Results

1. The auditor's report expresses an adverse opinion on the combined financial statements in conformity with generally accepted accounting principles and a qualified opinion for the omission of the general fixed asset account group on the combined financial statements in conformity with a regulatory basis of accounting prescribed by the Oklahoma State Department of Education.

2. No significant deficiencies relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.

3. No instances of noncompliance material to the financial statements of the District were reported during the audit.

4. No significant deficiencies relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance"

5. An unqualified opinion report was issued on the compliance of major federal award programs.

6. The audit disclosed no audit findings and questioned costs, which are required to be reported under the Uniform Guidance.

7. Identification of Major Programs: Education Stabilization Fund (84.425D,84.425U) programs, which were clustered in the determination, and the Title I (84.010) program.

8. The dollar threshold used to determine between Type A and Type B programs was $750,000.

9. The District did not qualify to be a low-risk auditee.

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Award Programs Audit

None

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
DISPOSITION OF PRIOR YEAR'S SCHEDULE OF FINDINGS
JULY 1, 2022 TO JUNE 30, 2023

None.

INDEPENDENT SCHOOL DISTRICT NO. I-8, TULSA COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2022 TO JUNE 30, 2023

State of Oklahoma)
County of Tulsa)

The undersigned auditing firm representative of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Sperry School District for the audit year 2022-23.

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

BY ____________________
AUTHORIZED AGENT

Subscribed and sworn to before me on this
6th day of, December, 2023

____
NOTARY PUBLIC

ANDREA FUGATE
NOTARY
15006702
EXP. 07/20/27
PUBLIC
STATE OF OKLAHOMA