

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

**SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF  
CREEK COUNTY, OKLAHOMA**

**JUNE 30, 2022**

Audited by

**BLEDSON, HEWETT & GULLEKSON  
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP**

**BROKEN ARROW, OK**

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
SCHOOL DISTRICT OFFICIALS  
JUNE 30, 2022

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SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
JUNE 30, 2022

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JUNE 30, 2022

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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Board of Education  
Sapulpa Independent School District No. 33  
Sapulpa, Creek County, Oklahoma

***Report on the Audit of the Financial Statements***

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Sapulpa Independent School District No. 33, Sapulpa, Creek County, Oklahoma (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter discussed in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" section of our report, the combined financial statements referred to above 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, 2022, and the revenues it received and expenditures it paid and encumbered for the year then ended, in accordance with the financial reporting provisions of the Oklahoma State Department of Education as described in Note 1.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, 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, 2022, or the revenues, expenses, and changes in net position and, where applicable, cash flows thereof for the year then ended.

***Basis for Opinions***

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

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

As discussed in Note 1, the financial statements referred to above do not include the General Fixed Asset Account Group, which is a departure from the regulatory basis of accounting prescribed or permitted 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 described in Note 1 to the financial statements, to meet the financial reporting requirements of the Oklahoma State Department of Education, the financial statements are prepared by the District on the basis of the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting regulations prescribed or permitted by 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 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 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 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements-regulatory basis that collectively comprise the District's basic financial statements. The accompanying combining financial statements-regulatory basis and other supplementary information and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements-regulatory basis. The information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements-regulatory basis 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, except for the financial statements being prepared in compliance with the regulatory basis as prescribed by the Oklahoma State Department of Education as discussed in Note 1, the combining financial statements-regulatory basis and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the combined financial statements-regulatory basis as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

***Bledsoe, Hewett & Gullekson***

Bledsoe, Hewett & Gullekson  
Certified Public Accountants, PLLLP

October 26, 2022



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

The Honorable Board of Education  
Sapulpa Independent School District No. 33  
Sapulpa, Creek 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 fund type and account group financial statements – regulatory basis of the Sapulpa Independent School District No. 33, Sapulpa, Creek County, Oklahoma (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 26, 2022, 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 as provided by the Oklahoma State Department of Education.. However, our report was qualified because the omission of the general fixed asset account group results in an incomplete presentation 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

***Bledsoe, Hewett & Gullekson***

Bledsoe, Hewett & Gullekson  
Certified Public Accountants, PLLLP

October 26, 2022



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

To the Honorable Board of Education  
Sapulpa Independent School District No. 33  
Sapulpa, Creek County, Oklahoma

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

***Opinion on Each Major Federal Program***

We have audited the Sapulpa Independent School District No. 33, Sapulpa, Creek County, Oklahoma's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### ***Report on Internal Control over Compliance***

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Bledsoe, Hewett & Gullekson*

Bledsoe, Hewett & Gullekson  
Certified Public Accountants, PLLLP

October 26, 2022

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
DISPOSITION OF PRIOR YEAR'S SIGNIFICANT DEFICIENCIES AND  
MATERIAL INSTANCES OF NON-COMPLIANCE  
JUNE 30, 2022

There were no prior year significant deficiencies or material instances of non-compliance.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2022

**Section 1** – Summary of Auditor’s Results:

1. 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. The audit did not identify any material weaknesses and did not report any significant deficiencies not considered to be material weaknesses in the internal controls over financial reporting.
3. The audit disclosed no instances of noncompliance which are material to the financial statements.
4. The audit did not identify any material weaknesses and did not report any significant deficiencies not considered to be material weaknesses in the internal controls over major programs.
5. An unmodified report was issued on the compliance for major programs in conformity with the regulatory basis of accounting.
6. The audit disclosed no audit findings which are required to be reported under the Uniform Guidance, 2 CFR 200.51(a).
7. Programs determined to be major are the COVID-19 Education Stabilization Fund – CARES Act / CRRSA Act/ ARP Act Programs (84.425D, 84.425U), which were not 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 not 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

**COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -  
ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS  
JUNE 30, 2022

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES	ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUSTS AND AGENCY FUNDS	GENERAL LONG-TERM DEBT	
<u>ASSETS</u>							
Cash	\$ 6,565,712	1,591,720	1,233,122	1,521,731	1,353,614		12,265,899
Amounts available in debt service						1,233,122	1,233,122
Amount to be provided for retirement of long-term debt						5,914,646	5,914,646
Total Assets	<u>\$ 6,565,712</u>	<u>1,591,720</u>	<u>1,233,122</u>	<u>1,521,731</u>	<u>1,353,614</u>	<u>7,147,768</u>	<u>19,413,667</u>
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Warrants/checks payable	\$ 2,669,229	132,644					2,801,873
Encumbrances	457,816	175,696		319,052	1,283,996		952,564
Funds held for school organizations							1,283,996
Long-term debt:							
Bonds payable						6,600,000	6,600,000
Capital leases						547,768	547,768
Total liabilities	<u>3,127,045</u>	<u>308,340</u>	<u>0</u>	<u>319,052</u>	<u>1,283,996</u>	<u>7,147,768</u>	<u>12,186,201</u>
Fund Balance:							
Restricted		1,283,380	1,233,122	1,202,679	69,618		3,788,799
Unassigned	3,438,667						3,438,667
Cash fund balances	<u>3,438,667</u>	<u>1,283,380</u>	<u>1,233,122</u>	<u>1,202,679</u>	<u>69,618</u>	<u>0</u>	<u>7,227,466</u>
Total Liabilities and Fund Balance	<u>\$ 6,565,712</u>	<u>1,591,720</u>	<u>1,233,122</u>	<u>1,521,731</u>	<u>1,353,614</u>	<u>7,147,768</u>	<u>19,413,667</u>

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



SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES IN CASH FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUSTS - REGULATORY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2022

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST FUNDS	
Revenues Collected:						
Local sources	\$ 7,391,965	1,161,347	5,565,692		466,609	14,585,613
Intermediate sources	856,051					856,051
State sources	17,516,715	143,391				17,660,106
Federal sources	4,587,900	2,020,031				6,607,931
Interest earnings	14,619		15,998		277	30,894
Non-revenue receipts	299,916					299,916
Total revenues collected	<u>30,667,166</u>	<u>3,324,769</u>	<u>5,581,690</u>	<u>0</u>	<u>466,886</u>	<u>40,040,511</u>
Expenditures:						
Instruction	17,732,644			258,291	470,609	18,461,544
Support services	12,073,838	1,139,633		1,915,662		15,129,133
Operation of non-instructional services	114,801	1,712,874				1,827,675
Other outlays:						
Debt service			5,115,008			5,115,008
Total expenditures	<u>29,921,283</u>	<u>2,852,507</u>	<u>5,115,008</u>	<u>2,173,953</u>	<u>470,609</u>	<u>40,533,360</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	745,883	472,262	466,682	(2,173,953)	(3,723)	(492,849)
Other financing sources (uses):						
Adjustments to prior year encumbrances	68,486	15,335	0	2,004	0	85,825
Excess of revenues collected and other financing sources over (under) expenditures and other financing (uses)	814,369	487,597	466,682	(2,171,949)	(3,723)	(407,024)
Cash fund balances, beginning of year	2,624,298	795,783	766,440	3,374,628	73,341	7,634,490
Cash fund balances, end of year	<u>\$ 3,438,667</u>	<u>1,283,380</u>	<u>1,233,122</u>	<u>1,202,679</u>	<u>69,618</u>	<u>7,227,466</u>

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

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK 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, 2022

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:				
Local sources	\$ 6,570,147	6,570,147	7,391,965	7,228,500
Intermediate sources	746,233	746,233	856,051	813,335
State sources	16,408,621	16,408,621	17,516,715	16,179,915
Federal sources	5,776,895	5,776,895	4,587,900	3,046,700
Interest earnings			14,619	22,182
Non-revenue receipts	200,000	200,000	299,916	139,170
Total revenues collected	<u>29,701,896</u>	<u>29,701,896</u>	<u>30,667,166</u>	<u>27,429,802</u>
Expenditures:				
Instruction	20,131,927	20,131,927	17,732,644	16,408,458
Support services	12,079,466	12,079,466	12,073,838	11,012,004
Operation of non-instructional services	114,801	114,801	114,801	101,126
Other outlays:				
Private schools				18,279
Total expenditures	<u>32,326,194</u>	<u>32,326,194</u>	<u>29,921,283</u>	<u>27,539,867</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(2,624,298)	(2,624,298)	745,883	(110,065)
Adjustments to prior year encumbrances	<u>0</u>	<u>0</u>	<u>68,486</u>	<u>31,531</u>
Excess of revenues collected over (under) expenditures	(2,624,298)	(2,624,298)	814,369	(78,534)
Cash fund balance, beginning of year	<u>2,624,298</u>	<u>2,624,298</u>	<u>2,624,298</u>	<u>2,702,832</u>
Cash fund balance, end of year	<u>\$ 0</u>	<u>0</u>	<u>3,438,667</u>	<u>2,624,298</u>

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

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK 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, 2022

	SPECIAL REVENUE FUNDS			Prior Year (Memorandum Only)
	Original Budget	Final Budget	Actual	
Revenues Collected:				
Local sources	\$ 938,330	938,330	1,161,347	1,125,599
State sources	156,646	156,646	143,391	172,263
Federal sources	1,330,927	1,330,927	2,020,031	1,330,927
Total revenues collected	<u>2,425,903</u>	<u>2,425,903</u>	<u>3,324,769</u>	<u>2,628,789</u>
Expenditures:				
Support services	1,466,726	1,466,726	1,139,633	1,016,253
Operation of non-instructional services	1,754,960	1,754,960	1,712,874	1,395,147
Total expenditures	<u>3,221,686</u>	<u>3,221,686</u>	<u>2,852,507</u>	<u>2,411,400</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(795,783)	(795,783)	472,262	217,389
Adjustments to prior year encumbrances	<u>0</u>	<u>0</u>	<u>15,335</u>	<u>24,306</u>
Excess of revenues collected over (under) expenditures	(795,783)	(795,783)	487,597	241,695
Cash fund balances, beginning of year	<u>795,783</u>	<u>795,783</u>	<u>795,783</u>	<u>554,088</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>0</u>	<u>1,283,380</u>	<u>795,783</u>

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

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK 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, 2022

	DEBT SERVICE FUND			
	Original Budget	Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:				
Local sources	\$ 5,311,878	5,311,878	5,565,692	5,739,819
Interest earnings			15,998	651
Non-revenue receipts				13,095
Total revenues collected	<u>5,311,878</u>	<u>5,311,878</u>	<u>5,581,690</u>	<u>5,753,565</u>
Requirements:				
Bonds	4,955,000	4,955,000	4,955,000	4,945,000
Judgments			11,408	
Coupons	148,600	148,600	148,600	277,195
Total expenditures	<u>5,103,600</u>	<u>5,103,600</u>	<u>5,115,008</u>	<u>5,222,195</u>
Excess of revenue collected over (under) expenditures	208,278	208,278	466,682	531,370
Cash fund balance, beginning of year	<u>766,440</u>	<u>766,440</u>	<u>766,440</u>	<u>235,070</u>
Cash fund balance, end of year	<u>\$ 974,718</u>	<u>974,718</u>	<u>1,233,122</u>	<u>766,440</u>

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

**NOTES TO COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Sapulpa Public Schools Independent District, No. 33 (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

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**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.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**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, 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 during the 2021-22 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 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.



SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d**

**B. Measurement Focus – cont’d**

**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 funds.

**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 and the insurance recovery fund. The District maintained both of these funds during the 2021-22 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.

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 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.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d**

**B. Measurement Focus – cont’d**

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 (judgments 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. 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 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/checks 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.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d**

**C. Basis of Accounting and Presentation – cont’d**

- 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. Fixed assets are not depreciated.

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

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. The Board of Education must request an initial temporary appropriations budget from their County Excise Board before June 30. The District uses the temporary appropriation amounts as their legal expenditure limit until the annual Estimate of Needs is completed.

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. No later than October 1, each Board of Education shall prepare a financial statement and Estimate of Needs to be filed with the applicable County Clerk and the State Department of Education.

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.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**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, 2022 is not material to the combined financial statements.

Fixed Assets and Property, Plant and Equipment – The District has not 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 not included in the financial statements. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

Warrants/Checks Payable – Warrants/checks 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/checks that have yet to be redeemed by the District’s bank.

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.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**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 *non-spendable* (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).

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 (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.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**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.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**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.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**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.

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.



SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d**

**F. Revenue and Expenditures – cont’d**

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 2021-22 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, 2022 were \$12,218,586 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.
- 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.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**2. CASH AND INVESTMENTS – cont'd**

- 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, 2022.

**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 consists of building bonds payable, transportation bonds payable, judgments and capital leases. Debt service requirements for bonds and judgments are payable solely from the fund balance and the future revenues of the debt service fund, and capital leases are paid from other funds.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2021:

	Bonds Payable	Judgments Payable	Capital Leases	Total
Balance, July 1, 2021	\$ 11,555,000	0	236,892	11,791,892
Additions	0	11,408	691,018	702,426
Retirements	(4,955,000)	(11,408)	(380,142)	(5,346,550)
Balance, June 30, 2022	<u>\$ 6,600,000</u>	<u>0</u>	<u>547,768</u>	<u>7,147,768</u>

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**4. GENERAL LONG-TERM DEBT – cont'd**

A brief description of the outstanding long-term debt at June 30, 2022 is set forth below:

<u>General Obligation Bonds:</u>	<u>Amount Outstanding</u>
General Obligation Building Bonds, Series 2020, original issue \$9,910,000, interest rate of 1.25% to 1.50%, due in an initial installment of \$4,955,000, and a final payment of \$4,955,000 due 6-01-23	\$ 4,955,000
Combined Purpose Bonds, Series 2021, original issue \$1,645,000, interest rate of 0.75%, due in one installment of \$1,645,000, due 5-01-23	1,645,000
<u>Lease Purchase Agreements:</u>	
Lease purchase for Chieftain Center Scoreboard, dated 7-16-21, totaling \$316,202, interest rate of 2.65%, due in annual installments of \$67,094, final installment due 2-1-26	251,272
Lease purchase for Collins Stadium Scoreboard, dated 7-16-21, totaling \$374,816, interest rate of 2.65%, due in annual installments of \$79,175, final installment due 5-1-26	<u>296,496</u>
Total	<u>\$ 7,147,768</u>

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

Year Ending June 30	Principal	Interest	Total
2023	\$ 6,731,552	88,992	6,820,544
2024	135,069	11,200	146,269
2025	138,705	7,564	146,269
2026	142,442	3,827	146,269
Total	<u>\$ 7,147,768</u>	<u>111,583</u>	<u>7,259,351</u>

Interest paid on general long-term debt during the 2021-22 fiscal year totaled \$158,946.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**5. LEASE REVENUE BONDS**

The District had the following Lease Revenue Financing Agreement at June 30, 2022:

On May 1, 2015, the Creek County Educational Facilities Authority issued \$26,800,000 of Educational Facilities Lease Revenue Bonds (Sapulpa Public Schools Project) Series 2014, to provide funds required for the constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites for the benefit of the Sapulpa Public Schools (District). Also on May 1, 2015, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Creek County Educational Facilities Authority. In addition, the District entered into a sublease, as lessee, with the Creek County Educational Facilities Authority. The sublease calls for nine (9) annual payments starting September 1, 2015. These payments will be made out of general obligation bond funds, pursuant to the issuance of series bonds in the amount of \$39,555,000. The Sapulpa Public Schools gains ownership to the capital improvements incrementally as each payment is made. The remaining payments are as follows.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
22-23	\$ 0	685,500	685,500
23-24	<u>15,535,000</u>	<u>685,500</u>	<u>16,220,500</u>
Total	<u>\$ 15,535,000</u>	<u>1,371,000</u>	<u>16,906,000</u>

This agreement is not classified as long-term debt on the District's financial statements, since the actual debt does not belong to the District. Current and future bond proceeds from the District's general obligation bonds are used to pay these obligations.

**6. 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.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**6. 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.

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 2021-22 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 7.70%.

Annual Pension Cost

The District's total contributions for 2022, 2021 and 2020 were \$1,818,370, \$1,691,956 and \$1,814,426, respectively. Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2022. 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](http://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.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

## 7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; 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.

The District 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 District reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining 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.

## 8. 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 2021-22 fiscal year. The new Uniform Guidance of Audits of States, Local Governments and Non-Profit Organizations, established uniform audit requirements for nonfederal entities which expended more than \$750,000 in federal awards.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**8. CONTINGENCIES – cont'd**

Litigation

District officials are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments against the District.

## **SUPPLEMENTARY INFORMATION**



SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -  
 ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS  
 JUNE 30, 2022

	BUILDING FUND	CHILD NUTRITION FUND	TOTAL
<u>ASSETS</u>			
Cash	\$ 581,579	1,010,141	1,591,720
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Warrants/checks payable	\$ 5,837	126,807	132,644
Encumbrances	112,628	63,068	175,696
Total liabilities	118,465	189,875	308,340
Fund Balance:			
Restricted	463,114	820,266	1,283,380
Total Liabilities and Fund Balance	\$ 581,579	1,010,141	1,591,720

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK 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, 2022

	BUILDING FUND	CHILD NUTRITION FUND	TOTAL
Revenues Collected:			
Local sources	\$ 1,062,318	99,029	1,161,347
State sources		143,391	143,391
Federal sources		2,020,031	2,020,031
Total revenues collected	<u>1,062,318</u>	<u>2,262,451</u>	<u>3,324,769</u>
Expenditures:			
Support services	1,139,633		1,139,633
Operation of non-instructional services		1,712,874	1,712,874
Total expenditures	<u>1,139,633</u>	<u>1,712,874</u>	<u>2,852,507</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(77,315)	549,577	472,262
Adjustments to prior year encumbrances	<u>12,033</u>	<u>3,302</u>	<u>15,335</u>
Excess of revenues collected over (under) expenditures	(65,282)	552,879	487,597
Cash fund balances, beginning of year	<u>528,396</u>	<u>267,387</u>	<u>795,783</u>
Cash fund balances, end of year	<u><u>\$ 463,114</u></u>	<u><u>820,266</u></u>	<u><u>1,283,380</u></u>

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES  
 IN CASH FUND BALANCES - BUDGET AND ACTUAL - ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2022

	BUILDING FUND			CHILD NUTRITION FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues Collected:						
Local sources	\$ 938,330	938,330	1,062,318	\$		99,029
State sources				156,646	156,646	143,391
Federal sources				1,330,927	1,330,927	2,020,031
Total revenues collected	<u>938,330</u>	<u>938,330</u>	<u>1,062,318</u>	<u>1,487,573</u>	<u>1,487,573</u>	<u>2,262,451</u>
Expenditures:						
Support services	1,466,726	1,466,726	1,139,633			
Operation of non-instructional services				1,754,960	1,754,960	1,712,874
Total expenditures	<u>1,466,726</u>	<u>1,466,726</u>	<u>1,139,633</u>	<u>1,754,960</u>	<u>1,754,960</u>	<u>1,712,874</u>
Excess of revenues collected over(under) expenditures before adjustments to prior year encumbrances	(528,396)	(528,396)	(77,315)	(267,387)	(267,387)	549,577
Adjustments to prior year encumbrances	<u>0</u>	<u>0</u>	<u>12,033</u>	<u>0</u>	<u>0</u>	<u>3,302</u>
Excess of revenues collected over (under) expenditures	(528,396)	(528,396)	(65,282)	(267,387)	(267,387)	552,879
Cash fund balances, beginning of year	<u>528,396</u>	<u>528,396</u>	<u>528,396</u>	<u>267,387</u>	<u>267,387</u>	<u>267,387</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>0</u>	<u>463,114</u>	<u>\$ 0</u>	<u>0</u>	<u>820,266</u>

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -  
 ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS  
 JUNE 30, 2022

	31	32	33	35	36	39	
ASSETS	BUILDING BOND FUND	BUILDING BOND FUND	BUILDING BOND FUND	BUILDING BOND FUND	BUILDING BOND FUND	BUILDING BOND FUND	TOTAL
Cash	\$ 850,093	590,844	44,012	17	0	36,765	1,521,731
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Encumbrances	168,723	143,027	7,285	17	0	0	319,052
Fund Balances:							
Restricted	681,370	447,817	36,727	0	0	36,765	1,202,679
Total Liabilities and Fund Balance	\$ 850,093	590,844	44,012	17	0	36,765	1,521,731

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES, AND CHANGES  
IN CASH FUND BALANCES - ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	31	32	33	35	36	39	TOTAL
	BUILDING BOND FUND	BUILDING BOND FUND	BUILDING BOND FUND	BUILDING BOND FUND	BUILDING BOND FUND	BUILDING BOND FUND	
Revenues collected:							
Non-revenue receipts	\$ 0	0	0	0	0	0	0
Expenditures:							
Instruction		258,291					258,291
Support services	1,369,830	413,713	121,231	17	1,871	9,000	1,915,662
Total expenditures	<u>1,369,830</u>	<u>672,004</u>	<u>121,231</u>	<u>17</u>	<u>1,871</u>	<u>9,000</u>	<u>2,173,953</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(1,369,830)	(672,004)	(121,231)	(17)	(1,871)	(9,000)	(2,173,953)
Other financing sources (uses):							
Adjustments to prior year encumbrances	0	194	1,810	0	0	0	2,004
Excess of revenues collected over (under) expenditures after other financing sources (uses)	(1,369,830)	(671,810)	(119,421)	(17)	(1,871)	(9,000)	(2,171,949)
Cash fund balances, beginning of year	2,051,200	1,119,627	156,148	17	1,871	45,765	3,374,628
Cash fund balances, end of year	<u>\$ 681,370</u>	<u>447,817</u>	<u>36,727</u>	<u>0</u>	<u>0</u>	<u>36,765</u>	<u>1,202,679</u>

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
 COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -  
 ALL FIDUCIARY FUND TYPES - REGULATORY BASIS  
 JUNE 30, 2022

	EXPENDABLE TRUST FUNDS		AGENCY FUNDS	
	GIFTS & ENDOWMENTS FUND	INSURANCE RECOVERY FUND	SCHOOL ACTIVITY FUNDS	TOTAL
<u>ASSETS</u>				
Cash	\$ 69,618	0	1,283,996	1,353,614
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Funds held for school organizations	\$ 0	0	1,283,996	1,283,996
Fund Balance:				
Restricted	69,618	0	0	69,618
Total Liabilities and Fund Balance	\$ 69,618	0	1,283,996	1,353,614

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33, CREEK COUNTY  
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES  
 IN CASH FUND BALANCES - ALL FIDICIARY FUNDS - REGULATORY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2022

	GIFTS & ENDOWMENT FUND	INSURANCE RECOVERY FUND	TOTAL
Revenues Collected:			
Local sources	0	466,609	466,609
Interest earnings	<u>277</u>	<u>0</u>	<u>277</u>
Total revenues collected	<u>277</u>	<u>466,609</u>	<u>466,886</u>
Expenditures:			
Support services	<u>4,000</u>	<u>466,609</u>	<u>470,609</u>
Excess of revenues collected over (under) expenditures	(3,723)	0	(3,723)
Cash fund balances, beginning of year	<u>73,341</u>	<u>0</u>	<u>73,341</u>
Cash fund balances, end of year	<u><u>69,618</u></u>	<u><u>0</u></u>	<u><u>69,618</u></u>

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 AGENCY FUNDS - REGULATORY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2022

	BALANCE 07/01/21	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 06/30/22
<u>ASSETS</u>					
Cash	\$ 1,051,764	2,109,479	0	1,877,247	1,283,996
<u>LIABILITIES</u>					
HS Grants	\$ 1,435	3,096		2,993	1,538
HS Office	1,169	8,899	1,500	6,343	5,225
Credit Recovery	3,872	2,789		250	6,411
ID Badge	3,630	1,875		2,713	2,792
HS Art	9,886	6,029	38	14,215	1,738
HS Band	6,537	16,601	7,767	21,483	9,422
HS Band Booster Concession	50,720	49,631	(1,428)	49,458	49,465
HS Oklahoma Close Up	474	0		0	474
HS Hospitality Committee	358	456		208	606
HS STAY	445	0		0	445
HS Counseling Office	5,090	1,097		0	6,187
HS Business Prof Assoc.	337	108		0	445
HS AP Exams	2,425	3,389		4,418	1,396
HS FCCLA	1,890	4,864	20	5,425	1,349
HS Title 7 Indian Ed Pantry	177	0		104	73
HS Library	1,345	61		177	1,229
HS National Honor Society	5,653	2,771		3,779	4,645
HS Green-Thumb Chieftains	5,559	2,045		1,379	6,225
HS NAACP	112	0		0	112
HS Seniors 2024	4,687	253		2,217	2,723
HS Seniors 2022	7,775	0		2,806	4,969
HS Seniors 2023	3,043	11,550		4,994	9,599
HS Science club	5,966	0		1,388	4,578
HS Spanish Honor Society	666	1,110		1,085	691
HS Special Olympics	12,809	11,148	496	8,993	15,460
HS Student Council	3,149	8,053		8,186	3,016
HS Vocal Music	10,401	88,908	(2,800)	93,473	3,036
HS Ag Ed & FFA	27,223	255,542		230,230	52,535
HS Lyons Special Ed	1,705	0		172	1,533
HS Yearbook	9,071	2,585		2,710	8,946
HS Sizemore Sped	488	0		0	488
HS Fishing Team	723	3,158		3,144	737
Hider Trust - FFA Scholarships	20,651	0	(20,651)	0	0
HS Band Auxiliaries	6,877	9,693	876	12,544	4,902
HS Band Trips	39,974	180,041	(8,643)	135,908	75,464
HS Band Grants	49,561	44,260		38,185	55,636
HS Ping Pings	2,727	8,529		9,519	1,737



SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 AGENCY FUNDS - REGULATORY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2022

	BALANCE 07/01/21	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 06/30/22
HS Indian Parent Comm	\$ 243	558		304	497
HS Sapulpa Indian Club	2,370	1,872	98	796	3,544
HS Key Club	345	375		565	155
HS GSA Gay Straight All.	69	0		0	69
HS Productions	15,327	12,485	1,090	15,034	13,868
HS Culinary Arts	658	887	1,285	1,579	1,251
HS JROTC	33,710	42,835	(150)	51,320	25,075
Hider Trust - JROTC school.	14,126	0	(14,126)	0	0
HS School Nurse	1,813	0		0	1,813
Backpack Food Pantry	8,199	0	(496)	2,759	4,944
Local Scholarships	0	6,100	40,106	8,500	37,706
HS Senior Girl Events	2,706	4,200		2,203	4,703
HS First Robotics	20,702	39,500		308	59,894
Miranda Brooke Scholarship	3,775	0	(3,775)	0	0
HS Indian Ed Staff Dev	2,308	1,289	(98)	588	2,911
HS Physics	684	0		0	684
E-Sports	7,777	0		2,421	5,356
JH Office	1,646	860	1,500	3,275	731
JH Library	1,116	17		0	1,133
JH Student Council	1,682	1,828		1,429	2,081
JH Vocal Music	8,476	6,245		12,180	2,541
JH Yearbook	5,125	1,590		906	5,809
JH Art	1,307	380	3,421	4,514	594
JH Taps	845	0		529	316
Stem JH Math Science	4,240	0		0	4,240
JH Grants	3,546	1,858		1,756	3,648
MS Office	6,742	4,981	1,250	6,372	6,601
MS Library	251	3,304		2,623	932
MS Student of Month	200	0		0	200
MS Student Council	19	0		0	19
MS Yearbook	19	2,716		2,621	114
MS Choir	9,041	5,014		4,700	9,355
MS NJHS	373	1,221		29	1,565
7/8 Grade Volleyball	636	0		0	636
MS Grants	173	1,069		1,056	186
GT Redding	7	0	(7)	0	0
Special Ed Director	513	0		284	229
Liberty Library	916	3,095		3,014	997
Liberty Music	1,622	8,057	1,250	2,913	8,016
Liberty Fundraising	1,477	11,534		9,340	3,671
Liberty STEM	19,828	40,340		55,114	5,054
Liberty Grants	1,486	11,964		11,788	1,662

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 AGENCY FUNDS - REGULATORY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2022

	BALANCE 07/01/21	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 06/30/22
Freedom Misc	\$ 3,463	7,587	1,463	8,029	4,484
Freedom Fundraising	25,506	28,204	(2,000)	35,711	15,999
Freedom Library	414	11,323		9,427	2,310
Freedom Grants	212	4,356	(212)	4,242	114
Freedom Taps	10,943	8,613	2,000	9,909	11,647
Jefferson HTS Misc	3,587	1,665	1,249	2,913	3,588
Jefferson HTS Fundraising	15,407	21,115		19,827	16,695
Jefferson HTS Grants	11,715	1,290		3,460	9,545
Jefferson HTS Library	1,926	6,991		5,910	3,007
Holmes Park Misc	7,654	1,322	1,250	5,247	4,979
Holmes Park Fundraising	27,797	47,259		49,735	25,321
Holmes Park Library	866	14,677		13,440	2,103
Holmes Park Grants	970	4,457		4,401	1,026
Revolutionary Days	0	450		119	331
District Stem	32,773	300		10,452	22,621
Sapulpa Academic Conf.	267	0		0	267
Benevolence Fund	10,100	100	(414)	277	9,509
GT Grants	0	13,550		0	13,550
NOW Interest	25,436	26,796	(11,341)	10,807	30,084
Driver Education	4,200	0		2,450	1,750
Stem - Camp Invention	33,804	38,048		26,666	45,186
Latchkey	943	180,952	169	179,164	2,900
Collins Foundation	31,300	0		4,181	27,119
Education Foundation	80	0		0	80
Spark	19,624	101,478	(169)	73,653	47,280
Local Child Welfare	55,175	35,371		38,170	52,376
Hot Spot Insurance	525	180		0	705
Alternative School Grants	36	590		545	81
Child Nutrition Banquets	0	124		0	124
SPS Food Service Assoc.	7,428	987		75	8,340
Soft Drink Money	10,006	33,292	(2,499)	29,908	10,891
Alternative School	3,577	600	750	1,440	3,487
Jackson Scholarship	1,554	0	(1,554)	0	0
Clearing Account	76	0	6	0	82
Service Center	280	87		0	367
Chromebook Repair	17,103	38,142		6,206	49,039
Elem Basketball	970	2,428		2,160	1,238
Centennial Plaza Project	1,973	0		0	1,973
Homeless	565	0		0	565
Athletic Sports Overall	14,800	38,145	(14,840)	30,600	7,505
Football	11,404	25,922	7,499	19,077	25,748
Boys Basketball	2,347	2,590	3,500	5,987	2,450

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 AGENCY FUNDS - REGULATORY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2022

	BALANCE 07/01/21	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 06/30/22
Girls Basketball	\$ 837	1,964	3,500	4,703	1,598
Baseball	12,763	9,665	4,650	15,496	11,582
Softball	1,357	1,650	3,000	1,843	4,164
Wrestling	2,884	1,195	3,501	5,081	2,499
Tennis	757	755	500	1,391	621
Track	1,599	439	2,000	3,453	585
Golf	4,272	5,989	2,425	5,882	6,804
Athletic Booster	85,245	168,157	2,481	149,640	106,243
Cross Country	10,122	5,495	2,000	9,447	8,170
Boys Soccer	2,286	0	3,267	4,139	1,414
Athletic Trainer	6	274		261	19
Girls Soccer	5,781	15,635	236	13,350	8,302
Girls Volleyball	2,772	3,024	2,340	3,016	5,120
Cheer	2,436	18,062		13,900	6,598
All Events Gate	2,457	130,520	(24,769)	95,361	12,847
JH Cheer	7,302	11,486		15,483	3,305
Drug Test	9,272	22,984	60	15,634	16,682
Sponsors 2022-23	0	32,502		0	32,502
Chieftain Center Concession	8,102	35,977	1,429	25,660	19,848
Total Liabilities	<u>\$ 1,051,764</u>	<u>2,109,479</u>	<u>0</u>	<u>1,877,247</u>	<u>1,283,996</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REGULATORY BASIS**

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33, CREEK COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal Grantor / Pass Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Total Expenditures</u>
<b><u>U.S. Department of Education:</u></b>		
<b><u>Direct Programs:</u></b>		
Indian Education	84.060	\$ 184,757
<b><u>Passed Through State Department of Education:</u></b>		
Title I Basic Program	84.010	631,140
Title I, Neglected	84.010	5,259
Total Title I (84.010)		<u>636,399</u>
Title II, Part A	84.367	128,986
Title IV, Part A	84.424	36,037
Title III, Part A	84.365	16,500
Education for Homeless	84.196	25,563
IDEA-B Special Education Cluster		
ARP IDEA-B Flow Through	84.027X	87,532
ARP IDEA-B Preschool	84.027X	8,848
IDEA-B Flow Through	84.027	727,679
IDEA-B Professional Development	84.027	7,320
IDEA-B Preschool	84.173	2,401
Total Special Education Cluster		<u>833,780</u>
* COVID-19 Education Stabilization Fund (ESF) -		
ESSERF / CARES Act	84.425D	24,751
ESSER II	84.425D	1,731,475
ARP ESSER III	84.425U	813,780
ARP ESSER Counselor Corps Grant	84.425U	121,977
Total COVID-19 ESF		<u>2,691,983</u>
<b><u>Passed Through State Department of Career and Technology Education:</u></b>		
Carl Perkins	84.048	<u>32,258</u>
<b><u>U.S. Department of Agriculture:</u></b>		
<b><u>Passed Through State Department of Education</u></b>		
<b><u>Child Nutrition Program Cluster:</u></b>		
School breakfast program	10.553	9,496
National school lunch program	10.555	1,088,092
Summer food program	10.559	291,426
Non-cash assistance - Commodities	10.555	162,510
Total Child Nutrition Program Cluster		<u>1,551,524</u>
<b><u>Other Federal Assistance:</u></b>		
Johnson O'Malley	15.130	15,155
Johnson O'Malley 3 month	15.130	34,230
JROTC	12.357	67,368
<b>Total Federal Assistance</b>		<b><u>\$ 6,254,540</u></b>

\* Major programs

**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, 2022. 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 minimis indirect cost rate allowed under the Uniform Guidance. None of the federal programs include any loan programs, loan guarantee programs, and has no sub-recipients.

**Note 3 - Non-Monetary Assistance** - Commodities received by the District were of a non-monetary nature.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33, CREEK COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS  
PREPARED FOR THE OKLAHOMA STATE DEPARTMENT OF EDUCATION  
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor / Pass Through Grantor / Program Title	Federal Assistance Listing Number	OCAS Project No.	Program or Award Amount	Balance at 7/1/21	Revenue Collected	Total Expenditures	Balance at 6/30/22
<u>U.S. Department of Education</u>							
<u>Direct Programs:</u>							
Indian Education	84.060	561	\$ 184,757		138,603	184,757	46,154
Indian Education 2020-21	84.060	799		36,081	36,081		
Sub Total			<u>184,757</u>	<u>36,081</u>	<u>174,684</u>	<u>184,757</u>	<u>46,154</u>
<u>Passed Through State Department of Education:</u>							
Title I Basic Program	84.010	511	724,523		513,371	631,140	117,769
Title I Basic Program 2020-21	84.010	799		127,954	127,954		
Title I, Neglected	84.010	518	11,546		2,746	5,259	2,513
Title I, Neglected 2020-21	84.010	799		6,671	6,671		
Title II, Part A	84.367	541	134,774		116,052	128,986	12,934
Title IV, Part A	84.424	552	45,507		27,739	36,037	8,298
Title IV, Part A 2020-21	84.424	799		22,573	22,573		
Title III, Part A	84.365	572	21,838		16,500	16,500	
Education for Homeless	84.196	596	87,193		21,847	25,563	3,716
Education for Homeless 2020-21	84.196	799		16,551	16,551		
CARES Special Education 2020-21	84.027	799		422	422		
ARP IDEA-B Flow Through	84.027X	628	183,214		36,400	87,532	51,132
ARP IDEA-B Flow Preschool	84.027X	643	10,395		5,523	8,848	3,325
IDEA-B Flow Through	84.027	621	800,883		600,283	727,679	127,396
IDEA-B Flow Through 2020-21	84.027	799		155,686	155,686		
IDEA-B Professional Development	84.027	615	10,320		6,605	7,320	715
IDEA-B Professional Development 2020-21	84.027	799		989	989		
IDEA-B Preschool	84.173	641	23,866		2,401	2,401	
IDEA-B Preschool 2020-21	84.173	799		4,448	4,448		
COVID-19 Education Stabilization Fund (ESF) -							
ESSERF / CARES Act	84.425D	788	24,795		24,751	24,751	
ESSERF / CARES Act 2020-21	84.425D	799		60,895	60,895		
ESSER II	84.425D	793	1,942,992		1,704,003	1,731,475	27,472
ESSER II 2020-21	84.425D	799		53,913	53,913		
ARP ESSER III	84.425U	795	5,298,306		654,290	813,780	159,490
ARP ESSER Homeless II	84.425U	797	49,132				
ARP ESSER Counselor Corps Grant	84.425U	722	180,000		91,824	121,977	30,153
Total COVID-19 ESF			<u>7,495,225</u>	<u>114,808</u>	<u>2,589,676</u>	<u>2,691,983</u>	<u>217,115</u>
Sub Total			<u>9,549,284</u>	<u>450,102</u>	<u>4,274,437</u>	<u>4,369,248</u>	<u>544,913</u>
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins	84.048	421	32,938	0	24,703	32,258	7,555
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education</u>							
<u>Child Nutrition Programs:</u>							
School breakfast program	10.553	764			357,484	9,496	
National school lunch program	10.555	763			1,452,926	1,088,092	
Summer food program	10.559	766			42,280	291,426	
Emergency operational costs	10.555	762			86,689		
Supply chain assistance	10.555	759			77,589		
Non-cash assistance - Commodities	10.555	N/A			162,510	162,510	
Sub Total					<u>2,179,478</u>	<u>1,551,524</u>	
<u>Other Child Nutrition Programs:</u>							
P-EBT	10.649	760			3,063		
<u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130	563	49,760		4,086	15,155	11,069
Johnson O'Malley 3 month	15.130	564	34,230		34,230	34,230	
Johnson O'Malley 2020-21	15.130	799		9,937	9,937		
JROTC	12.357	770	67,368		67,368	67,368	
Flood Control	12.112	770	521		521		
Sub Total			<u>151,879</u>	<u>9,937</u>	<u>116,142</u>	<u>116,753</u>	<u>11,069</u>
Total Federal Assistance			<u>\$ 9,918,858</u>	<u>496,120</u>	<u>6,772,507</u>	<u>6,254,540</u>	<u>609,691</u>

**Note 1** - This schedule was prepared on a regulatory basis of accounting consistent with the preparation of the combined financial statements, except for the non-cash assistance noted in Note 2.

**Note 2** - Food Distribution - Non-cash assistance is reported in this schedule at the fair market value of the commodities received and disbursed.

**Note 3** - None of the federal programs include any loan programs, loan guarantee programs, has no sub-recipients and does not use the 10% de minimus indirect cost rate.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
STATEMENT OF STATUTORY, FIDELITY AND HONESTY BONDS  
FOR THE YEAR ENDED JUNE 30, 2022

<u>BONDING COMPANY</u>	<u>POSITION COVERED</u>	<u>BOND NUMBER</u>	<u>COVERAGE AMOUNT</u>	<u>EFFECTIVE DATES</u>
RLI Insurance -	Treasurer	LSM0902376	\$ 500,000	7/1/21 - 7/1/22
Western Surety Company -	Superintendent	70402481	100,000	10/30/21 - 10/30/22
	Encumbrance Clerk	70402481	50,000	10/30/21 - 10/30/22
	Activitty Fund Custodian	70402481	100,000	10/30/21 - 10/30/22
	Minutes Clerk	70402481	100,000	10/30/21 - 10/30/22
	Payroll Clerk	70402481	100,000	10/30/21 - 10/30/22
	Payroll Assistant	70402481	100,000	10/30/21 - 10/30/22
	Assistant Treasurer	70402481	100,000	10/30/21 - 10/30/22

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE  
AFFIDAVIT  
JULY 1, 2021 TO JUNE 30, 2022

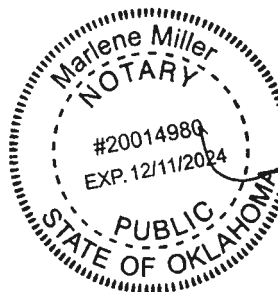
State of Oklahoma            )  
  ) ss  
County of Tulsa            )

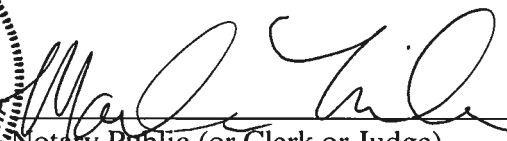
The undersigned auditing firm of lawful ages, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Sapulpa Public Schools for the audit year 2021-22.

Bledsoe, Hewett & Gullekson  
Certified Public Accountants, PLLLP  
Auditing Firm

By   
Authorized Agent

Subscribed and sworn to before me  
This 26<sup>th</sup> day of October, 2022



  
Notary Public (or Clerk or Judge)

My Commission Expires: 12-11-2024  
Commission No. 20014980





**BLEDSON, HEWETT & GULLEKSON**  
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

Eric M. Bledsoe, CPA  
Jeffrey D. Hewett, CPA  
Christopher P. Gullekson, CPA

P.O. BOX 1310 • 121 E. COLLEGE ST. • BROKEN ARROW, OK 74013 • (918) 449-9991 • (800) 522-3831 • FAX (918) 449-9779

October 26, 2022

Mr. Robert Armstrong, Supt.  
Sapulpa Public Schools  
511 E Lee Ave  
Sapulpa, Oklahoma 74066

Dear Mr. Armstrong:

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.

**No exceptions noted**

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,

Christopher P. Gullekson

For

Bledsoe, Hewett & Gullekson  
Certified Public Accountants, PLLLP